



**AUDIT REPORT  
ON  
THE ACCOUNTS OF  
THE GOVERNMENT OF  
BALOCHISTAN  
AUDIT YEAR 2007-08**

**AUDITOR-GENERAL OF PAKISTAN**



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## **Abbreviations and Acronyms**

1.	BDA	Balochistan Development Authority
2.	B&R	Buildings and Roads
3.	cm	Centimeter
4.	CPWA	Central Public Works Accounts
5.	CPWD	Central Public Works Department
6.	C&W	Communication & Works
7.	CSR	Composite Schedule of Rates
8.	Cft.	Cubic foot
9.	CML	Central Media List
10.	Cum	Cubic meter
11.	DAC	Departmental Accounts Committee
12.	DDO	Drawing & Disbursing Officer
13.	GFR	General Financial Rules
14.	GoB	Government of Balochistan
15.	Kg	Kilogram
16.	Km	Kilometer
17.	MB	Measurement Book
18.	mm	Millimeter
19.	NSR	Non Scheduled Rate
20.	PAO	Principal Accounting Officer
21.	POL	Petroleum, Oils and Lubricants
22.	PSDP	Public Sector Development Program
23.	QESCO	Quetta Electric Supply Company
24.	Rft.	Running foot
25.	SBP	State Bank of Pakistan

- |     |       |  |
|-----|-------|--|
| 26. | S.I.  | Schedule Item                                  |
| 27. | S&GAD | Services and General Administration Department |
| 28. | Sft.  | Square foot                                    |
| 29. | Sqm   | Square meter                                   |
| 30. | Vol.  | Volume   |

## PREFACE

Article 169 of the Constitution of the Islamic Republic of Pakistan read with Sections 8 and 12 of the Auditor-General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 requires the Auditor-General to conduct audit of receipts and expenditure from the Consolidated Fund and Public Accounts of the Federation and of each Province; and the accounts of any authority or body established by the Federation or a Province.

This Report is based on audit of the accounts of various departments and certain autonomous bodies of Government of Balochistan for the financial year 2006-07 and accounts of some organizations pertaining to previous years. The audit was conducted, on a test check basis, by the Directorate General of Audit Balochistan during 2007-08, with a view to report significant findings to the stakeholders.

The findings indicate the need for adherence to the regulatory framework besides instituting and strengthening internal controls to avoid recurrence of similar violations and irregularities.

The audit observations contained in the Report except those of the Balochistan Costal Development Authority, Education, Home and Police departments, were discussed with the concerned Principal Accounting Officers in the Departmental Accounts Committee meetings and have been finalized in the light of discussions, departmental replies and decisions arrived thereupon.

The Audit Report is submitted to the Governor of Balochistan, in pursuance of Article 171 of the Constitution of the Islamic Republic of Pakistan for causing it to be laid before the Provincial Assembly.

Islamabad  
Dated:

**TANWIR ALI AGHA**  
Auditor-General of Pakistan

## EXECUTIVE SUMMARY

This Report contains the results of audit carried out during 2007-08 by the Directorate General of Audit, Balochistan on the accounts of various departments, subordinate offices and certain autonomous bodies for the year 2006-07 of the Government of Balochistan.

### Findings

The main findings of the Report are:

1. Non-recovery / adjustment of loans, outstanding dues and advances in sixteen cases - Rs.854.274 million.

[Para 1.3,1.26,1.42,1.47,1.51,1.52,2.2,2.5,3.1,3.2,4.2,4.3,6.1,7.2,8.1,8.3]

2. Unauthorized expenditure incurred in twenty nine cases - Rs.599.664 million.  
[Para 1.1,1.2,1.4,1.7,1.10,1.11,1.12,1.13,1.15,1.18,1.19,1.24,1.29, 1.39,1.43,1.44,1.46,2.1,2.4,2.6,2.7,2.8,2.9,2.10,2.11,2.13,4.1,7.3,8.2]

3. Excess expenditure incurred above budget grants and approved cost in five cases - Rs.317.134 million.

[Para 1.9,1.22,1.45,2.3,7.1]

4. Overpayments made, by allowing exorbitant / incorrect rates in twenty- four cases - Rs.143.426 million.

[Para 1.6,1.8,1.14,1.16,1.17,1.20,1.21,1.23,1.25,1.27,1.28,1.30,1.31,1.32,1.33,1.34,1.35,1.36,1.37,1.38,1.49,2.12,6.2]

5. Non-production of record in two cases - Rs.134.709 million.

[Para 1.40,5.1]

6. Three cases of Misappropriation - Rs.41.399million.

[Para 1.5,5.2 5.3]

7. Shortage of equipments, motorcycles - Rs.16.241 million.

[Para 1.41,4.4.]

8. Loss to public exchequer - Rs.0.696 million.

[Para 1.48, 2.25]

Audit also noted some systemic issues which include lack of management, internal controls, absence of adequate safeguards to protect public property from theft, misuse, wastage and failure of controls to prevent irregular and wasteful spending of public money.

From the nature, frequency and extent of above mentioned violations / irregularities, it is evidently clear that most of the departments do not possess the adequate internal audit structure to provide assistance in financial management.

Audit pursuance and holding of the Departmental Accounts Committee meetings resulted in recovery of Rs.73.767 million, which has been verified.

The PAC while discussing this report on 18, 19 and 20 April 2016 and 23, 24 and 25 May 2016 issued directions out of which 97 were complied with and action taken. Besides an amount of Rs.1.66 was recovered, The PAC directives are attached as Annexure.

## **Recommendations**

The concerned Principal Accounting Officers should take necessary steps, with reference to cases pointed out in the Report. It is, therefore, recommended to:

- i) strengthen DAC forum to ensure timely corrective actions in cases of financial indiscipline so reported;
- ii) ensure recoveries of the over payments, misappropriated money and cost of stores;
- iii) overhaul and monitor the proceeds, deposits of government receipts on priority basis;



- iv) irregular and excess expenditure pointed out may be regularized by taking appropriate steps with the approval of respective competent authorities;
  - v) ensure accounting records properly maintained and produced to audit, whenever requisitioned;
2. Audit would advise the following for the Finance department;
- i) to take cognizance of the failure of the internal control environment to enforce financial discipline in the respective departments and subordinate offices of the Government;
  - ii) to ensure to enhance the institutional capacity of each department;
  - iii) to establish effective internal audit setup;
  - iv) to provide effective assistance to strengthen the institution of DAC.

## **AUTONOMOUS BODIES**

### **Balochistan Coastal Development Authority**

#### **INTRODUCTION**

The Balochistan Coastal Development Authority was established under BCDA Act, 1998 (Balochistan Act No. 1 of 1998) as a Corporate Body. Administrative authority and financial powers are regulated by the Governing Body which is overall operator of its activities.

During the financial years 2003-04 to 2006-07, budget of Rs.735.609 million was provided against which an expenditure of Rs.575.210 million was incurred.

#### **AUDIT FINDINGS**

##### **1.1 Unauthorized payment of excess quantity beyond PC-I - Rs.55.213 million**

“The authority granted by a sanction to an estimate must remain strictly limited to the precise objects for which the estimate was intended. If after the accord of technical sanction, alterations are contemplated, orders of the original sanctioning authority should be obtained even though no additional expenditure is involved”, as per Para 2.86 of the B&R Code and Para 56 of CPWD Code.

The BCDA awarded the works “Construction of Fish Landing Jetty and Onshore Facilities at Jewani”, “Fish Landing Jetty and Onshore Facilities at Damb” and “Dredging of Basin Yard at Fish Landing Jetty Gaddani” to a contractor on 23<sup>rd</sup> June, 2006 and 22<sup>nd</sup> February, 2005 respectively. Checking of MBs with reference

to PC-Is' revealed that the contractor was paid for following items of work by allowing excess quantities than provided in PC-I without prior approval of competent authority, resulting in unauthorized expenditure of Rs.55.213 million as detailed below:

**(Rs. in million)**

S. No.	Name of Work	Item of work	S.I. No.	Qty Paid (cum)	Qty Payable (cum)	Diff. (cum)	Rate (Rs.)	Amount
1	Construction of Fish Landing Jetty and Onshore Facilities at Damb, Lasbela	Excavation and Disposal	3-21 b	16,887	1,800	15,087	56.55	0.853
		Provide & Place Filter Fabric	NSR	16,836	750	16,086	450	7.239
2	Construction of Fish Landing Jetty and Onshore Facilities at Jewani, Gawadar	Provide and Lay 1:2:4 cement concrete precast blocks	NSR	3250	850	2,400	9,250	22.200
3	Dredging of Basin Yard at Fish Landing Jetty, Gaddani	Dredging work at channel cross section and basin area	NSR	50112.26	2850	47262.26	525	24.812
<b>Total</b>								<b>55.104</b>
<b>Add 12.8 % Above on Item No.1</b>								<b>0.109</b>
<b>Grand Total</b>								<b>55.213</b>

The matter was reported to the Authority in July 2008 but no reply received. PAO was requested through letter dated 9<sup>th</sup> August, 2008 for convening DAC meeting, in spite of five reminders dated 16<sup>th</sup> September, 27<sup>th</sup> September, 13<sup>th</sup> October, 24<sup>th</sup> November, 2008 and 3<sup>rd</sup> January, 2009, no meeting was convened till finalization of report.

The Authority needs to take appropriate action against the concerned official(s) for this unauthorized expenditure.

## **1.2 Unauthorized payment due to allowing inadmissible items of work - Rs.28.937 million**

“The authority granted by a sanction to an estimate must remain strictly limited to the precise objects for which the estimate was intended. If after the accord of technical sanction, alterations are contemplated, orders of the original sanctioning authority should be obtained even though no additional expenditure is involved”, as per Para 2.86 of the B&R Code and Para 56 of CPWD Code.

The BCDA awarded the work “Repair & Extension of Breaking Water at Fish Landing Jetty Gaddani”, “Construction of Fish Landing Jetty and Onshore Facilities at Jewani, Gawadar” and “Construction of Fish Landing Jetty and Onshore Facilities at Damb, Lasbela” to the contractors at the contract price of Rs.41.816, Rs.152.078 and Rs.80.389 million respectively. An amount of Rs.28.937 million as detailed in annexure 1 was paid to the contractor for various items. The payment was inadmissible because the said items were not provided in PC-I.

The matter was reported to the Authority in July 2008 but no reply received. PAO was requested through letter dated 9<sup>th</sup> August 2008 for convening DAC meeting, in spite of five reminders dated 16<sup>th</sup> September, 27<sup>th</sup> September, 13<sup>th</sup> October, 24<sup>th</sup> November, 2008 and 3<sup>rd</sup> January, 2009, no meeting was convened till finalization of report.

The Authority needs to take appropriate action against the concerned official(s) for this unauthorized expenditure.

### 1.3 Non-recovery of loan from Pasni Fish Harbor Authority - Rs.21 million

“Entire cost of dredging including consultancy and pre and post dredging surveys may be met out of funds already available with BCDA. However, the PFHA will submit a PC-I of the dredging operations to P&D department so that the cost may be repaid to the BCDA subsequently”, as per Para No. 4, minutes of meeting Governing Body of BCDA.

The BCDA extended a loan of Rs.21 million to Managing Director, Pasni Fish Harbor Authority as detailed below:

**(Rs. in million)**

S. No.	Cheque No.	Date	Nature of Account	Amount
1	261078	18 <sup>th</sup> November, 2003	Paid to Managing Director, PFHA, Pasni on account of pay of staff	1.000
2	261079	17 <sup>th</sup> December, 2003	Paid to Managing Director, PFHA, on account of dredging of Pasni Fisheries Harbor	10.000
3	8775007	13 <sup>th</sup> August, 2004	Paid to Managing Director, PFHA, on account of dredging of Pasni Fisheries Harbor	10.000
<b>Total</b>				<b>21.000</b>

The loan was given to PFHA for dredging work at Pasni Fish Harbor and pay of staff. In order to liquidate the loan the PFHA was required to prepare a PC-I of dredging operation and get it approved from P&D department. However, neither the PFHA prepared PC-I accordingly nor, the BCDA made effort to recover the loan.

The matter was reported to the Authority in July 2008 but no reply received. PAO was requested through letter dated 9<sup>th</sup> August, 2008 for convening DAC meeting, in spite of five reminders dated 16<sup>th</sup> September, 27<sup>th</sup> September, 13<sup>th</sup> October, 24<sup>th</sup> November, 2008 and 3<sup>rd</sup> January, 2009, no meeting was convened till finalization of report.

The Authority needs to recover the loan.

#### **1.4 Unauthorized expenditure incurred beyond the scope / mandate of BCDA - Rs.20.590 million**

“The BCDA is competent to execute beautification works in coastal belt area”, as per Clause 7 (1) of the BCDA Act, 1998.

In violation of above clause of the Act, an expenditure of Rs.20.590 million, as detailed in annexure 2, was incurred on the schemes located at Bela and other adjacent areas which do not fall in the territorial jurisdiction of BCDA rendering the expenditure incurred, unauthorized.

The matter was reported to the Authority in July 2008 but no reply received. PAO was requested through letter dated 9<sup>th</sup> August, 2008 for convening DAC meeting. In spite of five reminders dated 16<sup>th</sup> September, 27<sup>th</sup> September, 13<sup>th</sup> October, 24<sup>th</sup> November, 2008 and 3<sup>rd</sup> January, 2009, no meeting was convened till finalization of report.

The Authority needs to recover the amount from the sanctioning authority.

### **1.5 Suspected misappropriation - Rs.20 million**

“Payments for all work done and for all supplies are made on the basis of measurement recorded in Measurement Books in accordance with the rule prescribed. Recovery of advances so made should not be postponed until the whole of work entrusted to the contractor is completed. They should be made from his bill for work done as the materials are used”, as per section 209, 228(b) CPWA Code.

The BCDA awarded the work “Construction of Fish Landing Jetty and Onshore Facilities at Damb, Lasbella” to a contractor on 23<sup>rd</sup> June 2006 at contract cost of Rs.80.389 million. An advance payment of Rs.20.000 million was made to the contractor in December 2006. It was indicated that the payment was made as secured advance, however the type of material which was to be brought at site, was not specified. The payment was made on the request of contractor, which was endorsed by the consultant in favor of contractor. Advance payment was to be adjusted from the 6<sup>th</sup> running bill paid in June 2007, which was not done. Subsequently, the work was abandoned by the authority, due to which Rs.20.000 million was stuck up with the contractor.

The matter was reported to the Authority in July 2008 but no reply received. PAO was requested through letter dated 9<sup>th</sup> August, 2008 for convening DAC meeting, in spite of five reminders dated 16<sup>th</sup> September, 27<sup>th</sup> September, 13<sup>th</sup> October, 24<sup>th</sup> November, 2008 and 3<sup>rd</sup> January, 2009, no meeting was convened till finalization of report.

The Authority needs to recover the amount from the contractor / sanctioning authority, besides, take appropriate action against the person(s) responsible.

**1.6 Overpayment due to allowing higher rates than provided in PC-I - Rs.19.365 million**

“The authority granted by a sanction to an estimate must remain strictly limited to the precise objects for which the estimate was intended. If after the accord of technical sanction, alterations are contemplated, orders of the original sanctioning authority should be obtained even though no additional expenditure is involved”, as per Para 2.86 of the B&R Code and Para 56 of CPWD code.

The BCDA awarded the work “Construction of Fish Landing Jetty and Onshore Facilities at Jewani, Gawadar and Damb, Lasbela” to a contractor on 23<sup>rd</sup> June 2006. Contractors were paid for various items of works on higher rates instead of approved rates as provided in PC-I, resulting in overpayment of Rs.19.365 million as detailed in attached annexure 3.

The matter was reported to the Authority in July 2008 but no reply received. PAO was requested through letter dated 9<sup>th</sup> August, 2008 for convening DAC meeting, but in spite of five reminders dated 16<sup>th</sup> September, 27<sup>th</sup> September, 13<sup>th</sup> October, 24<sup>th</sup> November, 2008 and 3<sup>rd</sup> January, 2009, no meeting was convened till finalization of report.

The Authority needs to recover the amount from the contractors, besides, take appropriate action against the person(s) responsible for overpayment.



**1.7 Irregular purchase / non-maintenance of dead stock account - Rs.2.052 million**

“All materials received should be examined, measured, weighed and counted when delivery is taken. The officer receiving the stores is required to give a certificate that he has actually received the materials and recorded them in the appropriate stock register, open tender through leading newspapers should be invited where the value of purchase exceeds the limit of Rs.50,000 and Rs.25,000”, as per Para 148 of GFR Vol-I and Rule 24 of Appendix 9 to Chapter 8 of GFR Vol-I, read with Finance department, Government of Balochistan order dated 3<sup>rd</sup> April, 2001 and 6<sup>th</sup> October, 2006.

The BCDA incurred an expenditure of Rs.2.052 million on purchase of machinery and equipments and furniture and fixture during the year 2003-04 to 2006-07 as detailed in annexure 4. Expenditure was held irregular due to the reason that neither open tender was invited nor entries were made in the stock register.

The matter was reported to the Authority in July 2008 but no reply received. PAO was requested through letter dated 9<sup>th</sup> August, 2008 for convening DAC meeting, but in spite of five reminders dated 16<sup>th</sup> September, 27<sup>th</sup> September, 13<sup>th</sup> October, 24<sup>th</sup> November, 2008 and 3<sup>rd</sup> January, 2009, no meeting was convened till finalization of report.

The Authority needs to fix the responsibility against the persons concerned for avoiding the process of calling (open) tender.

### 1.8 Overpayment due to wrong calculation - Rs.0.404 million

“The Sub Divisional Officer before signing the bill should compare the quantities in the bill with these recorded in measurement book and check arithmetically”, as per Para 221 of CPWA Code.

The BCDA awarded the work “Dredging of Basin Yard at Jewani Jetty” to a contractor on 22<sup>nd</sup> February, 2005. On scrutiny of 4<sup>th</sup> running bill paid on 13<sup>th</sup> June, 2007, an overpayment of Rs.0.404 million was made due to wrong calculation as detailed below on account of quantities (table i) and gross amount (table ii):

#### Wrong calculation of quantities

(i)

(Rs. in million)

S. No.	Area of Work	Unit	Quantity Paid as per bill	Quantity Payable as per MB	Difference	Rate (Rs.)	Amount
1	Channel Cross Section	Cum	2,114.90	2,014.90	100.00	525	0.053
	Basin Area	Cum	3,237	3,091.50	145.50		0.076
	<b>Total</b>		<b>5,351.90</b>	<b>5,106.40</b>	<b>245.50</b>	<b>525</b>	<b>0.129</b>

#### Wrong calculation of gross amount

(ii)

2	Gross Amount Paid	Amount Payable	Over Payment
	3.085	2.810	0.275
	<b>Total table i + ii</b>		<b>0.404</b>

The matter was reported to the Authority in July 2008 but no reply received. PAO was requested through letter dated 9<sup>th</sup> August, 2008 for convening DAC meeting,

but in spite of five reminders dated 16<sup>th</sup> September, 27<sup>th</sup> September, 13<sup>th</sup> October, 24<sup>th</sup> November, 2008 and 3<sup>rd</sup> January, 2009, no meeting was convened till finalization of report.

The Authority needs to recover the amount from the contractor, besides, fix the responsibility against the person(s) responsible for such overpayment.

## **Balochistan Development Authority**

### **INTRODUCTIUON**

The Balochistan Development Authority (BDA) was established in 1974 under Balochistan, Act X of 1974, with a view to promote economic and industrial development of the Balochistan. Prime function of the Authority are to execute the development projects and schemes pertaining to land and water development, power, agriculture, industries and economic uplift of relatively under developed areas as notified by the government.

During the year 2006-07, the Government of Balochistan provided funds of Rs.2220 million out of Public Sector Development Program. Besides, funds of Rs.5.244 million were generated by the Authority from its own resources.

### **AUDIT FINDINGS**

#### **1.9 Excess expenditure over authorized grants - Rs.263.954 million**

“It is an important function of the head of the office to keep a constant watch over the progress of the expenditure, as he is ultimately responsible for keeping the expenditure within the allotment of the year. The code further provides that the progress of expenditure on works or other items, for which there are specific appropriation, should be watched individually month by month through the register of works, contingent register and other related accounts”, as per Para 39 & 40(b) of CPWA Code.

The BDA incurred an expenditure of Rs.263.954 million over and above authorized grants during 2006-07, as detailed below:

**(Rs. in million)**

<b>S. No.</b>	<b>Name of scheme</b>	<b>Allotment</b>	<b>Expenditure</b>	<b>Excess</b>
<b>1</b>	Construction of black top Road, Rod Mallazai valley, District Pishin (Length 98.7 Km)	39.00	177.05	138.05
1	Widening of Nawa Killi Road Quetta	20.00	35.603	15.603
2	Zhob Town development project	30.193	59.281	29.088
3	Killi Almas bridge	4.000	16.868	12.868
4	Zhob town drainage package	27.193	28.753	1.560
5	Construction of road Nika Patti	20.817	55.187	34.37
<b>Total</b>		<b>141.203</b>	<b>372.742</b>	<b>231.539</b>
Add 10 % Security Deposits, 2 % contingencies and 2 % survey				32.415
<b>Grand Total</b>				<b>263.954</b>

Non-maintenance of register of work and contingent register was one of the reasons which facilitated excess expenditure over and above the grants.

The matter was reported to the Authority during January 2009 but with no response. In DAC meeting held on 11<sup>th</sup> February, 2009, the Authority provided a statement showing details of allocations of aforementioned schemes. Audit representatives asked for the relevant copies of release orders, but the said documents were not presented in the DAC. Further audit presented extracts from expenditure ledger, which clearly indicated that no receipts were recorded therein.

The Authority needs to provide release orders as stated during DAC, besides, take corrective measures to strengthen the internal control mechanism.

### **1.10 Unauthorized release of security deposits - Rs.98.341 million**

“Every payment must be supported with a voucher setting forth full and clear particular of claim and all information necessary for its proper classification and identification in accounts. Furthermore, “All transactions relating to Public Works Deposits should be accounted for in security deposit register in Form 67. The register should show, month wise, the total receipt, adjustment and closing balance of each separate deposit item”, as per Paras 72 and 401 of CPWA Code.

The cashbook of PLA-44/II, maintained by the BDA, revealed that security deposits worth Rs.98.341 million were released in the month of June 2007 as detailed in attached annexure 5. Release of security deposits was held irregular due to the following reasons:

- The security deposit register in Form 67, showing month wise receipt, adjustment and closing balance of each separate deposit item, was not maintained.
- The security deposits were released without preparing vouchers in Form 28.
- The security deposits were released without making entries in the relevant MB in terms of Para 208 of CPWA Code.

In the absence of above-mentioned record, it could not be verified whether the security deposits were released strictly in terms of respective contract agreements. Besides, the security deposits were released without making record entries in MB, therefore, it was not possible to verify whether the balances of security deposits were actually available at the credit of contractors or otherwise.

The matter was reported to the Authority during January 2009 but with no response. In DAC meeting held on 11<sup>th</sup> February, 2009, the Authority intimated that the security deposits have been released after fulfilling the codal formalities which could be verified from the record, but no record was presented in the DAC.

The Authority needs to get the record verified as decided in the DAC, besides, take corrective measures to strengthen the internal control mechanism.

**1.11 Unauthorized expenditure in disregard of approved scope of work - Rs.68.709 million**

“The authority granted by a sanction to an estimate must on all occasions be looked upon as strictly limited by the precise objects for which the estimate was intended to provide”, as per Para 83 of CPWD Code.

The BDA awarded the schemes “Construction of Roads in Hazar Ganji, Pashtoon Bagh and Kharotabad area” and “Construction of Dori Suleman Khail, Nali Yasinzai Gazaband Ajram Road (length 30 Km)” were approved by the PDWP at the cost of Rs.47.603 million and Rs.93.256 million respectively. Under the scheme, seven different roads having 21 Km length connecting various villages to main highways in Hazar Ganji, Pashtoon Bagh area were to be constructed. Similarly, 31 Km road was to be constructed in Dori Sulamankhai, Nali Yaseenzai area. The schemes were not executed according to the approved scope of work, rather entire funds were spent for construction of various streets which were not provided in the PC-I / estimates.

The matter was reported to the Authority during January 2009 but with no response. In DAC meeting held on 11<sup>th</sup> February, 2009, the Authority submitted that the schemes were implemented according to approved scope of work. Audit pointed out that the replies were not substantiated from the record, presented in the DAC.

The Authority needs to provide evidence as decided during the DAC.

**1.12 Unauthorized execution of works without proper survey and feasibility study - Rs.60.281 million**

“A properly detailed estimate must be prepared for the technical sanction of the competent authority; it must be obtained before the construction of work is commenced. The technical sanction guarantees that the proposals are structurally sound, and that the estimate are accurately calculated and based on adequate data”, as per Para 56 of CPWD Code.

The work “Construction of black top road Shaghalo to Sheran Jogezi District Zhob” was awarded to a contractor on 6<sup>th</sup> April, 2005. Approved cost of the scheme was Rs.125.160 million against which an expenditure of Rs.122 million was incurred up to 5<sup>th</sup> running bill, including the cost of following items which were not provided in sanctioned estimate and resulted into revision of estimate up to Rs.252.168 million.

**(Rs. in million)**

S. No.	Item of work	Quantity	Rate	Amount
1	Excavation or cutting in rock	197873 cum	152.45 per cum	30.166



	(shale) dressing to design section			
2	Excavation in soft rock by hammering, chiseling	146731.73cum	181 per cum	26.558
3	Excavation in hard rock (blasting work)	33635cum	259.45 per cum	8.727
Total				65.451
Less Premium				5.170
<b>Total</b>				<b>60.281</b>

The matter was reported to the Authority during January 2009 but with no response. In DAC meeting held on 11<sup>th</sup> February, 2009, the Authority intimated that revised estimates were under process of sanction with the P&D department. Audit pointed out that the payment of said items was not admissible without the revision of estimate and technical sanction of the competent authority and second revision without the prior approval of Finance department in terms of Para 5-19 of B&R Code.

The Authority needs to get the expenditure regularized from the Finance department.

**1.13 Irregular expenditure on construction of building of marble cutting unit - Rs.55.090 million**

“In lump sum contract, the contractor agrees to execute a complete work with all its contingencies in accordance with the drawings and specification for a fixed sum. Therefore, a detailed departmental estimate accompanied with drawings, specifications and schedule of rates and quantities of work to be done should be prepared and got technically sanctioned from the competent authority”, as per Para 81 of CPWD Code and Para 313 of CPWA Code.

The BDA awarded lump sum contracts for the the work “Establishment of marble and other stone cutting unit at Gaddani and Construction of Killi Almas Bridge” in May 2005 and June 2006. Values of contracts were Rs.40 million and Rs.25 million respectively, against which expenditure of Rs.38.222 million and Rs.16.868 million was incurred till the end of June 2007 respectively. The expenditure was incurred on percentage basis without supporting detailed estimates duly supported with drawings, specifications due to which genuineness of expenditure could not verified.

The matter was reported to the Authority during January 2009 but with no response. In DAC meeting held on 11<sup>th</sup> February, 2009, the Authority intimated that the works were awarded on the basis of detailed estimates, approved design and drawings. However, the concerned authorities again failed to produce the relevant record before the DAC in support of their reply.

The Authority needs to get the expenditure verified from audit.

**1.14 Overpayment due to unauthorized increase in rate of premium - Rs.52.268 million**

“The terms of contract once entered into should not be materially varied without the previous consent of competent authority. No payments to contractors by way of compensation or otherwise, outside the strict terms of the contract or in excess of the contract rates may be authorized without the previous consent of Finance department”, as per Para 19(iv) of GFR.

The BDA awarded the work “Construction of Turbat Pasni Road Phase-1, Km 00-44” to a contractor on 6<sup>th</sup> January, 2004. As per comparative statement, the contractor’s quoted rates of premium were @ 17 % and 2 % below CSR 1998 for road and civil work respectively, for entire 44 Km length. BDA entered into agreement with the contractor accordingly. However, MB of the work showed that the contractor was paid according to his quoted rate up to 10<sup>th</sup> running bill. Subsequently, the rate of premium was increased @ 2 % below and 23 % above on road and civil work respectively, without taking prior, approval of the Finance department. It resulted in overpayment of Rs.52.268 million up to 25<sup>th</sup> and final bill, paid in June 2007 as detailed below:

<b>(Rs. in million)</b>					
<b>S. No.</b>	<b>Description of work</b>	<b>Gross value of work done</b>	<b>Premium payable</b>	<b>Premium Paid</b>	<b>Difference</b>
1	Road work after 10 <sup>th</sup> running bill	221.742	(-) 35.513	(-) 4.178	31.335
2	Civil works	83.732	(-) 1.675	(+) 19.258	20.933
<b>Total</b>					<b>52.268</b>

The matter was reported to higher authorities during January 2009 but no reply received. In DAC meeting held on 11<sup>th</sup> February, 2009, BDA authorities contended that the P&D department increased district wise rate of premium vide Notification dated 18<sup>th</sup> January, 2005 and revised PC-I was approved accordingly. Reply was not tenable because the order conveying the sanction issued by the P&D department was not applicable on going works / schemes.

The Authority needs to recover the amount and deposit the same into government account.

**1.15 Irregular expenditure on hiring of consultant services - Rs.20.602 million**

“Contract should be placed only after tenders have been invited through newspaper and in case where the lowest tender is not accepted, reason should be recorded. The agreement with the consultants selected must be in writing and should be precisely and definitely expressed; it should state the quantity and quality of the work to be done, the specification to be comply with, the time within which the work is to be completed and the condition to be observed”, as per Para 18(vi) of GFR Vol-I and 89(c) of CPWD Code.

The BDA incurred an expenditure of Rs.20.602 million on account of hiring consultancy services for the supervision and execution of development schemes as detailed in annexure 6. The expenditure was irregular due to following two counts:

- a) The services of consultants were hired without open tenders and making written agreements, precisely showing job description, mode of payment and exact scope of work.
- b) Payments were made without making entries in relevant MBs of the work, besides, the payments to civil works contractors were made without verification of quantities and quality of works by the consultants concerned.

The matter was reported to the Authority during January 2009 but with no response. In DAC meeting held on 11<sup>th</sup> February, 2009, the Authority intimated that the consultants were appointed after completion of all the codal formalities and hired through open bids. However, relevant record was not presented before the DAC.

The Authority needs to provide documentary evidence in support of its claim made during DAC meeting.

**1.16 Overpayment due to non-deducting of cost of tack coat - Rs.17.865 million**

“The prime coat is the initial application of a binder to an abstract highway surface prior to premix carpeting, whereas, tack coat is an initial application of a binder to an existing surface to ensure thorough bond between the new construction and existing surface”, and “tack coat and prime coat are not given together”, as per Specification of Roads and Highways of Hand Book of Civil Engineering.

The scrutiny of record of following schemes revealed that prime coat @ Rs.33/- per sqm was allowed before laying hot mix bituminous concrete in road pavement with mechanical paver, 2" thick under S.I.No.21-35(c) of CSR 1998 by the BDA. In this connection, it is pointed out that hot bituminous concrete is inclusive of cost of tack coat @ Rs.52.70 per sqm. As the prime coat and tack are two different items of work and cannot be executed together, therefore, cost of tack coat was to be deducted from the unit rate of Rs.239.10 per sqm of premix, which

was not done and payments were made by allowing full rates which resulted in an overpayment of Rs.17.865 million as detailed below:

**(Rs. in million)**

Name of work	Quantity	Rate paid	Rate to be paid (Rs.)	Difference	Amount
Pasni-Turbat Road Phase-I Km 00 to 44.00	241154 sqm	239.10 (2 inch thick layer)	187/-	52.10	12.564 <u>0.251</u> <b>12.313</b>
Pasni-Turbat Road Phase-II	93404.70 sqm	239.10 (2 inch thick layer)	187/-	52.10	4.866 <u>0.097</u> <b>4.769</b>
Construction of Road via Pinaki to Murgha Faqirzai Road	21594 sqm (37.5 mm)	178.85 (1.5 inch of thick layer)	139.78 Less 7.20	39.07	0.844 0.061 <b>0.783</b>
<b>Grand Total</b>					<b>17.865</b>

The matter was reported to the Authority during January 2009 but with no response. In DAC meeting held on 11<sup>th</sup> February, 2009, the Authority disagreed with the audit findings and it was intimated that the concrete was laid through paver machines therefore; prime coat was allowed and paid accordingly. Audit pointed out that as per rule; tack coat and prime coat were not admissible together.

The Authority needs to recover the overpaid amount from the contractors.

**1.17 Overpayment due to non-utilization of excavated material -  
Rs.13.499 million**

“If cutting and filling is being done simultaneously, all excavated material shall be used in construction of road embankment”, as per Para 17.1 of specification of CSR 1998 Book II.

The BDA awarded three road works namely Turbat Pasni Road Phase-1, Shaghalo to Sheran Jomezai Zhob and Kanchoghi via Piniki to Margha Faqirzai to three different contractors. Scrutiny of MBs revealed that excavation or cutting to a required grade in all kinds of soil was carried out. At the very RDs / Km, embankments were also constructed, but the surplus material was not used in making embankment. On the contrary, embankment was constructed with new earth taken from approved borrow pits within 30 meter lead despite availability of surplus earth at same sites. It resulted in an overpayment of Rs.13.499 million as detailed below:

**(Rs. in million)**

<b>Quantity of cutting</b>	<b>Rate payable</b>	<b>Rate paid (Rs.)</b>	<b>Difference</b>	<b>Amount</b>
163534 cum	17.90	60.75	42.85	7.007
<b>Less 2 %</b>				<b>0.140</b>
<b>Net</b>				<b>6.867</b>

<b>Quantity</b>	<b>Rate paid</b>	<b>Rate to be paid</b>	<b>Difference</b>	<b>Total</b>
75378.44 cum	163.25	89.65 per cum 21-1(f) + 21-9	73.60	5.548
<b>Less 7.20 %</b>				<b>0.399</b>
<b>Total</b>				<b>5.149</b>

Quantity	Rate paid	Rate to be paid	Excess	Total
41800.68 cum	152.50	109.65	42.85	1.791
<b>Less 17.18 %</b>				0.308
<b>Total</b>				<b>1.483</b>
<b>Grand Total</b>				<b>13.499</b>

The matter was reported to the BDA during January 2009 but with no response. In DAC meeting held on 11<sup>th</sup> February, 2009, BDA intimated that the soil was not fit for reuse. Reply was not tenable because the earth from the very site was taken from approved barrow pits.

The Authority needs to recover the overpaid amount from the contractors.

### **1.18 Irregular expenditure due to allowing inadmissible work - Rs.12.042 million**

“The authority granted by a sanction to an estimate must on all occasion be looked upon as strictly limited by the precise object for which the estimate was intended to provide. Accordingly, the officer concerned should not deviate from approved plan, specification as originally sanctioned in estimate”, as per Para 83 of CPWD Code.

The BDA awarded the work “Construction of Turbat Pasni Road Phase-1, Km 00-44 to 104” to a contractor on 6<sup>th</sup> January, 2004. An expenditure of Rs.12.042 million was incurred on an item of work “Excavation or cutting in hard rock by blasting including sorting and stacking excavated material with in a lift of 1.5 m and lead up to 30 meter” @ Rs.259.45 per cum. The expenditure was irregular as the said item of work was not provided in the estimate, which was based for



obtaining sanction from the PDWP. The surplus excavated material (hard rock) was required to be collected, stacked at site and entered into material at site register. Material in question could be used in sub base (WBM) by breaking it into a required size and paid under S.I.No.30.73 of CSR 1998. Further, the material which is used for blasting work consists of gun powder; detonator stick etc. and it can only be procured under NOC which is issued by the Interior Ministry. The required NOC is issued on the authority letter of head of department requiring material for construction work. No such authority was given to the contractor by the BDA.

The matter was reported to the BDA during January 2009 but with no response. In DAC meeting held on 11<sup>th</sup> February, 2009, it was intimated by the BDA that the revised PC-I was under process of approval. The item of work “excavation in hard rock by blasting” had been replaced with the item of work “excavation in soft rock by blasting” in revised PC-I. The difference of Rs.3.641 million had been recovered from the contractor’s security deposits. Reply was self explanatory; therefore, audit insisted full recovery of Rs.12.042 million. No further meeting was held till finalization of report.

The Authority needs to recover the balance of amount overpaid to the contractor.

**1.19 Unauthorized expenditure due to allowing excess quantities -  
Rs.10.196 million**

“The authority granted by a sanction to an estimate must remain strictly limited to the precise objects for which the estimate was intended. If after the accord of

technical sanction, alterations are contemplated, orders of the original sanctioning authority should be obtained even though no additional expenditure is involved”, as per Para 2.86 of the B&R Code and 56 of CPWD Code.

The BDA awarded the work “Construction of Roads in Hazar Ganji, Pashtoon Bagh and Kharoot Abad Area” to contractors in April 2005. Works were completed in June 2007. It was observed that an unauthorized payment of Rs.10.196 million was made by allowing excess quantities than approved ones provided in revised estimated, as detailed in annexed annexure 7.

The matter was reported to the BDA during January 2009 but with no response. In DAC meeting held on 11<sup>th</sup> February, 2009, the BDA intimated that all the above three firms quoted equal rates. The project had been completed within the approved estimated cost without increasing the estimated quantities. No further meeting was held till finalization of report.

The Authority needs to regularize the excess expenditure by the competent authority.

**1.20 Overpayment due to non-utilization of excavated road metal -  
Rs.8.840 million**

“Each head of department is responsible for enforcing financial order and strict economy at every step. He shall be responsible for observance of all relevant financial rules and regulations”, as per Para 11 of GFR Vol-I.

The BDA awarded the work “Construction of Turbat Pasni Road Phase-1, Km 00-44 to 104” and “Construction of Kanchoghi via Piniki to Margha Faqirzai Road” to two contractors. Scrutiny of MBs of works revealed that excavation in hard rock by blasting was carried out at different RDs between Km 00 to 44 and Km 00 19.300 respectively. Road metal (stone), 29773 cum and 10635.96 cum, was stacked along the road side alignments. The said material was to be used in base course by breaking it into required size, which was to be paid @ Rs.143/- per cum under S.I. No. 30.73. On the contrary, the available road metal was not used in construction of base course before laying premix carpet. Due to non-utilization of available stone (hard rock), an overpayment of Rs.8.840 million was made as detailed below:

**(Rs. in million)**

<b>S. No</b>	<b>Quantity</b>	<b>Rate paid (Rs)</b>	<b>Rate payable (Rs)</b>	<b>Rate difference (Rs)</b>	<b>Amount</b>
<b>1</b>	29773 cum	390.80 per cum	143/- per cum	247.80 per cum	7.378
<b>Premium ( - ) 2 %</b>					0.148
<b>Total</b>					<b>7.230</b>
<b>2</b>	10635.96 cum	325.80	143	182.80	1.944
<b>Premium ( - ) 17.18 %</b>					0.334
<b>Total</b>					<b>1.610</b>
<b>Grand Total</b>					<b>8.840</b>

The matter was reported to the BDA during January 2009 but with no response. In DAC meeting held on 11<sup>th</sup> February, 2009, the BDA disagreed with the audit findings and intimated that water bond macadam was actually constructed with aggregate base course instead of stone blast. Therefore, reusing of excavated rock in sub base was not required. Reply was not tenable because the disposal of stone

ballast was not shown anywhere on record. No further meeting was held till finalization of report.

The Authority needs to recover the overpaid amount from the contractors.

### **1.21 Overpayment due to allowing incorrect rates - Rs.4.969 million**

“An item of work “providing and laying in situ cement concrete in arches with spandrels up to nine inch width including cost of form work” was specifically provided for arches and ornamental work in CSR 1998. It is allowed for graphic design and decorative purpose only”, as per S.I.No. 5-14 of CSR 1998.

The BDA awarded the work “Construction of drainage system of D.M. Jamali” to a contractor on 6<sup>th</sup> January, 2004. Scrutiny of MB revealed that 57922.31 cft cement concrete was laid in different semi circular drains; therefore, payment was to be made under S.I.No. 5-6 (which includes cost of mould). On the contrary, payment was made under S.I.No. 5-14 which is specifically provided for graphic design for decorative purpose and arches for ornamental works. Due to allowing incorrect rate, an overpayment of Rs.4.969 million was made, as detailed below:

<b>(Rs. in million)</b>				
<b>Quantity</b>	<b>Rate Paid (Rs.) % cft</b>	<b>Rate payable (Rs.) % cft</b>	<b>Difference (Rs.) % cft</b>	<b>Amount</b>
57922.31 cft	15,333.01	7,994	7339.01	4.251
			Add premium	0.718
			<b>Total</b>	<b>4.969</b>

The matter was reported to the BDA during January 2009 but with no response. In the DAC meeting held on 11<sup>th</sup> February, 2009, the BDA contented that the semi circular drain indeed contained inverted arches, which was more difficult to construct as compared to upright arch and required special mould of steel with heavy form work. Audit pointed out that the rate of Rs.7,994/- was inclusive of cost of steel mould and form work, therefore, the reply was not tenable. No further meeting was held till finalization of report.

The Authority needs to recover the overpaid amount from the contractor.

#### **1.22 Excess expenditure over and above approved cost - Rs.4.104 million**

“A revised estimate must be prepared when the sanctioned estimate is likely to be exceeded by 5% and got sanctioned from the authority that accorded original sanction. Further the Para 83 ibid provides that the authority granted by a sanction to an estimate must on all occasions be looked upon as strictly limited by the precise object for which the estimate was intended to provide”, as per Para 69 of CPWD Code.

The PDWP in its meeting held on 8<sup>th</sup> August, 2005 granted sanction to the scheme “Improvement of Jamiat-ul-Mohsinat, Muhammad Shah Town Quetta” at the estimated cost of Rs.8.010 million with the following scope of work:

<b>(Rs. in million)</b>		
<b>S..</b>	<b>Description</b>	<b>Cost</b>
1	Construction of Class Room and Computer Lab	3.646
2	Construction of Bath, WC and Wazoo Place	2.731
3	Construction of Overhead and underground water storage tank	0.211
<b>Sub total</b>		<b>6.588</b>

4	Providing and Installation of Pumping Machinery	0.422
5	Providing of Computers, furnishing of Computer Lab, Class Rooms and Office	1.000
<b>Sub total</b>		<b>1.422</b>
<b>Grand total</b>		<b>8.010</b>

It was observed that overall cost of civil work was Rs.6.588 million against which an expenditure of Rs.10.692 million was incurred up to final bill paid in June 2007, resulting in expenditure of Rs.4.104 million over and above of approved civil work cost, whereas, works at S.No.4 and 5 were not executed. The said position indicated that schemes were not executed according to approved plan which negated the basic objectives as envisaged in the PC-I.

The matter was reported to the BDA during January 2009 but with no response. In DAC meeting held on 11<sup>th</sup> February, 2009, BDA intimated that due to change in scope of work, cost of civil work was increased by Rs.4.104 million and other components were abandoned; therefore, actual excess was Rs.2.682 million. Excess was met by BDA from its own resources. Reply was not tenable because aforementioned scope of work was actually taken from revised PC-I. No further meeting was held till finalization of report.

The Authority needs to provide documentary evidence in support of its stance, adopted during the DAC.

**1.23 Overpayment due to allowing incorrect rate of cement concrete -  
Rs.3.610 million**

“All plain and reinforced cement in foundation is required to be paid under S.I.No.5-1 to 5-6. The rates for formed concrete is payable under S.I.No.5-5 and 5-6”, as per section 5 of CSR 1998.

The BDA awarded the work “Construction of drainage system D.M. Jamali” to a contractor. According to record entries, made in MB, cement concrete (1:2:4) 60197 cft was laid in the bed and side walls of different drains / conduits up to 5<sup>th</sup> running bill. Scrutiny revealed that payment was to be made under S.I.No.5-6 + 5-42 (c) which is specifically provided for concrete in drains etc. On the contrary, payment was made under S.I.No.5-7(c) plus 5-42 which is specifically provided for laying cement concrete in superstructure walls and piers. Due to allowing incorrect rate, an overpayment of Rs.3.610 million was made as detailed below:

<b>(Rs. in million)</b>				
<b>Quantity cft</b>	<b>Rate Paid (Rs.) % cft</b>	<b>Rate payable (Rs.) % cft</b>	<b>Difference (Rs.) % cft</b>	<b>Amount</b>
60197	13,124.60	7,994	5,130.60	3.088
<b>Premium ( + ) 16.90 %</b>				<b>0.522</b>
<b>Total</b>				<b>3.610</b>

The matter was reported to the BDA during January 2009 but with no response. In DAC meeting held on 11<sup>th</sup> February, 2009, BDA conceded the recovery and rates were corrected in 7<sup>th</sup> running bill. The recovery could not be verified because the relevant bill and MB was not presented before the DAC. No further meeting was held till finalization of report.

The Authority needs to produce the relevant record of recovery.

**1.24 Unauthorized expenditure incurred without availability of funds -  
Rs.3.00 million**

“Expenditure can only be incurred on a work or other object, if funds to cover the charges during the year have been provided by the competent authority”. Further, “advances to contractor are as a rule prohibited. However, advance payment for work actually done may be made on the certificate of responsible officer (not below the rank of SDO) to the effect that not less than the quantity of work paid for has actually been done. The officer granting such a certificate will be held responsible for any overpayment which may occur on the work consequence”, as per Para 32 (a) (ii), 228 & 229 of CPWA Code.

The BDA awarded the work “Construction of drainage system of D.M. Jamali” to a contractor on 6<sup>th</sup> January, 2004. Scrutiny of PLA expenditure ledger revealed that an advance payment of Rs.3.00 million was made to a contractor on 9<sup>th</sup> December, 2006 without availability of funds. The payment was unauthorized because it was made without substantiating that work up to Rs.3.00 million was done. Neither the same was recorded in MB nor any certificate of site engineer to the effect that the work actually done by the contractor was on record.

The matter was reported to the BDA during January 2009 but with no response. In DAC meeting held on 11<sup>th</sup> February, 2009 the BDA contended that no advance payment was made to the contractor, the payment was actually mobilization



advance which was already adjusted from the interim payments of the contractor. Reply was not tenable as the relevant record and MB was not presented before the DAC. No further meeting was held till finalization of report.

The Authority needs to get the expenditure regularized.

### **1.25 Overpayment due to non-deducting of stacking charges - Rs.2.261 million**

“The rate of Rs.210.10 for supplying and stacking pitrun gravel and Rs.390.80 for supplying and graded aggregate base course is inclusive of labor charges of Rs.26.71 for stacking charges”, as per Book of Analysis of CSR 1998.

The BDA awarded the work “Construction of Turbat Pasni Road Phase-1, Km 00-44 to 104” to a contractor. Scrutiny of MB revealed that pitrun gravel and graded aggregate base course was laid directly in base course and sub base without stacking along with road side alignment. Therefore, payment was to be made by deducting the rate of Rs.26.17 for stacking charges from the respective unit rates, which was not done. It resulted in an overpayment of Rs.2.261 million as detailed below:

<b>(Rs. in million)</b>			
<b>Item</b>	<b>Quantity</b>	<b>Rate to be deducted</b>	<b>Overpaid amount</b>
Pitrun gravel	30727/80 cum	26.71 per cum	0.821
Aggregate base course	55623/48	26.71 per cum	1.486
<b>Total</b>			<b>2.307</b>
<b>Premium ( - ) 2 %</b>			<b>0.046</b>
<b>Total</b>			<b>2.261</b>

The matter was reported to the BDA during January 2009 but with no response. In DAC meeting held on 11<sup>th</sup> February, 2009, BDA contended that direct laying in sub base was not possible, therefore, the pitrun gravel were stacked along with road side alignment before laying. The reply was not tenable because the MB clearly indicated that no stacking was carried out rather payment was made of the compacted thickness of sub base, therefore, labor charges for stacking should have been deducted. No further meeting was held till finalization of report.

The Authority needs to recover the overpaid amount from the contractor and deposit the same into government account.

**1.26 Less recovery of hire charges of grader and stamp duty - Rs.2.148 million**

“The Sub Divisional Officer before signing the bill should compare the quantities in the bill with these recorded in measurement book and check arithmetically”, as per Para 221 of CPWA Code.

The BDA awarded the work “Construction of Turbat Pasni Road Phase 1, Km 00-44 to 104” to a contractor on 6<sup>th</sup> January, 2004. Scrutiny of accounts revealed that full recoveries of rent charges of grader, stamp duty was not made as discussed below:

The grader was rented out to the contractor @ Rs.100000 PM in January 2005 which continued till June 2007; a recovery of Rs.2.900 million becomes due.

However recovery of Rs.1.400 million was actually made up to 15<sup>th</sup> running bill paid in June 2007 resulting in less recovery of Rs.1.500 million. The value of above work was Rs.439.174 million, therefore, stamp duty of Rs.1.098 million was to be realized against which, stamp duty of Rs.0.150 million was actually realized, resulting in less recovery of Rs.0.948 million.

The matter was reported to the BDA during January 2009 but with no response. In DAC meeting held on 11<sup>th</sup> February, 2009, the BDA contended that the actual recovery of Rs.1.5 million was already made and the recovery of Rs.0.948 million on account of cost of stamp duty would be made from the security deposit of the contractor. No further meeting was held till finalization of report.

The BDA needs to produce relevant record of recovery.

**1.27 Overpayment due to unauthorized change in quantities - Rs.1.863 million**

“Before the bill of a contractor is prepared, the entries in the measurement book relating to the description in the quantities of work should be scrutinized by the Sub Divisional Officer and the calculations of “Contents of area” should be checked arithmetically under his supervision”, as per Para 220 of CPWA Code.

The BDA awarded the work “Construction of black top road Shaghalo to Sheran Jomezai, District Zhob” to a contractor on 6<sup>th</sup> April, 2005. According to record entries made at Page No.79 to 92 of MB No.16, detailed measurement of an item of work “Excavation or cutting in rock” was recorded. While preparing abstract of cost, the quantity of soft rock which carries lesser rate was decreased and the

quantity of hard rock which has higher rate, was increased. It resulted in an overpayment of Rs.1.864 million as calculated below: **(Rs. in million)**

<b>Item of work</b>	<b>Quantity</b>	<b>Rate</b>	<b>Amount</b>
Cutting in hard rock	23759.717 cum(+)	Rs.259.45 per cum	6.164 (+)
Cutting in soft rock	23759.717 cum(-)	Rs.181 per cum	4.301 (-)
<b>Total</b>			<b>1.863</b>

The matter was reported to the BDA during January 2009 but with no response. Matter was discussed in DAC held on 11<sup>th</sup> February, 2009 and it was intimated by the BDA that the work is in progress and the recovery pointed out by audit would be adjusted in the next bill of the contractor. No further meeting was held till finalization of report.

The Authority needs to produce relevant record to ascertain the recovery affected as pointed out by audit.

**1.28 Overpayment due to allowing excess quantity of laying - Rs.1.824 million**

“Compacted depth of graded aggregate base course and natural pitrun gravel shall be considered for payment. The compacted depth shall be equal to 0.67 % of the loose thickness”, as per Book of Analysis of CSR 1998.

The BDA awarded the work “Construction of Turbat Pasni Road Phase-1, Km 00-44 to 104” to a contractor on 6<sup>th</sup> January, 2004. Scrutiny of MB revealed that the depth of compacted thickness was taken in excess of required depth of 0.67 % of loose thickness. It clearly indicated that compaction was not carried out to the

required density resulting in payment of excess quantity of stone boulder, causing an overpayment of Rs.1.824 million as detailed below:

**(Rs. in million)**

S. No.	Name of item	Stacked quantity (cum)	Laid quantity (cum)	Payable quantity as per required compaction	Difference (cum)	Rate (Rs.)	Overpaid Amount
1	Pitrun gravel	30727.80 cum	25606.50	20587.62	5018.88	212.30	1.065
2	Graded aggregate base course	55623.48	41717.60	37267.73	4449.87	178.80	0.796
<b>Total</b>							<b>1.861</b>
<b>Less Premium 2 %</b>							<b>0.037</b>
<b>Grand Total</b>							<b>1.824</b>

The matter was reported to the BDA during January 2009 but with no response. In DAC meeting held on 11<sup>th</sup> February, 2009, the BDA intimated that the payment of loose thickness at 0.20 m instead of 0.22 m was made to the contractor according to the PC-I provision and no overpayment was made to the contractor. The reply was not satisfactory because the quantities as shown in above-mentioned table were calculated on the basis of actual measurement, as recorded in MB. No further meeting was held till finalization of report.

The Authority needs to recover the overpaid amount from the contractors.

**1.29 Irregular expenditure on providing and fixing of onyx tiles - Rs.1.660 million**

“Payments for all work done and supplies made are paid on the basis of detailed measurement recorded in MB”, as per Para 208 of CPWA Code.

The BDA awarded the work “Construction of Circuit House, Zhob” to a contractor in June 2005. Scrutiny of measurement book revealed that a payment of Rs.2.204 million was made to the contractor for providing and fixing imported tiles on NSR basis as detailed below:

**(Rs. in million)**

<b>S. No.</b>	<b>Description of item</b>	<b>Quantity</b>	<b>Rate (Rs.)</b>	<b>Total</b>
1	Providing and fixing of tiles on floor 16”x16” of imported Italia make (Brand Lamination) NSR	5705/- sft	120.89 per sft	0.690
2	Providing and fixing Indonesian tiles SJ Services (NSR)	3611 sft	100 per sft	0.361
3	Providing and fixing tiles as floor of (24”x24”) Pak made of Shabir make NSR	9382.75 sft	122.89 per sft	1.153
<b>Total</b>				<b>2.204</b>

The payment was made on the basis of detailed measurement recorded in MB and paid on 26<sup>th</sup> June, 2007. In the subsequent bill which was paid on 6<sup>th</sup> October, 2007, the entire work, as referred above, was discarded and an additional payment of Rs.1.660 million was made on the plea that actually onyx tiles were fixed instead of imported tiles. The contention of BDA was not tenable because the former payment was made on the basis of detailed measurement which was authenticated by SDO, AGM and verified by Manager Audit and finally

authorized by Chairman BDA, as per memoranda recorded at Page No.48 of MB No.3. Therefore, additional payment of Rs.1.660 million was doubtful.

The matter was reported to the BDA during January 2009 but with no response. In DAC meeting held on 11<sup>th</sup> February, 2009, the BDA intimated that initially the payment of tile work has been made on NSR and after revision of PC-I of the work, payment was made accordingly under S.I.No.14-10(a). The reply was not tenable in the context of observation. No further meeting was held till finalization of report.

The Authority needs to investigate the matter.

### **1.30 Overpayment due to allowing incorrect rate - Rs.0.977 million**

“All type of concrete which requires to be laid in foundation without using form work are paid under S.I.No.5-1 to 5-4 and by using form work as per S.I.No.5-5 to 5-6”, as per section 5 of CSR 1998.

The BDA awarded the work “Construction of black top road Zarinbug - Dasht via Dora Kandung, 36.50 Km” to a contractor in January 2005. 12<sup>th</sup> running bill was paid on 31<sup>st</sup> May, 2007. According to record entries made at Pages No.49, 56 and 70 of MB No.1, cement concrete was laid in the bed and foundation of walls of cause ways without using form work. Therefore, payment was to be made under S.I.No.5-4(a) and 5-4(e), whereas, payment was made under S.I.No.5-9 (c) and 5-6 which is meant for walls with form work. Due to allowing incorrect rates an overpayment of Rs.0.977 was made to contractor, as detailed below:

<b>(Rs. in million)</b>					
<b>Item of work</b>	<b>Quantity cum</b>	<b>Rate paid per cum (Rs.)</b>	<b>Rate to be paid per cum (Rs.)</b>	<b>Difference (Rs.)</b>	<b>Total</b>
Cement concrete in foundations of side walls of cause ways	1068.00	2901.55	2712.70	188.85	0.202
Cement concrete in bed of cause ways	1818.70	2712.70	2386.90	325.80	0.593
<b>Total</b>					<b>0.795</b>
Add 23% premium					0.182
<b>Net overpayment</b>					<b>0.977</b>

The matter was reported to the BDA during January 2009 but with no response. In DAC meeting held on 11<sup>th</sup> February, 2009, the BDA intimated that the payment was made correctly as per rates provided in CSR 1998. Audit pointed out that the cement concrete was laid in the foundation of walls and bed of cause way, therefore, payment was to be made under specific rates as provided in the schedule. No further meeting was held till finalization of report.

The Authority needs to recover the overpaid amount from the contractor.

### **1.31 Overpayment due to allowing higher incorrect rate - Rs.0.479 million**

“All type of concrete which requires to be laid in foundation without using form work are paid under S.I.No.5-1 to 5-4 and by using form work as per S.I.No.5-5 to 5-6”, as per section 5 of CSR 1998.

The BDA awarded the work “Construction of black top road Kanchoghi via Penakai to Murgha Faqirzai” to a contractor during 2005-06. An item of work



“Providing and laying cement concrete using crush stone (1:4:8)” in was laid in foundation without using form work. Therefore, payment was to be made @ Rs.1752.60 under S.I.No.5-4(e) + 5-42(e). On the contrary, payment was made @ Rs.2078.40 under S.I.No.5-6(e)+5-42(e). Due to allowing incorrect higher rate, an overpayment of Rs.0.479 million was made, as detailed below:

**(Rs. in million)**

Quantity	Rate to be paid (Rs.)	Rate paid (Rs.)	Difference (Rs.)	Total
1255.70	1752.60	2078.40	305.80	0.409
			Add premium 17.18 %	0.070
			<b>Total</b>	<b>0.479</b>

The matter was reported to the BDA during January 2009 but with no response. In DAC meeting held on 11<sup>th</sup> February, 2009 the BDA intimated that foundation was excavated through excavator, therefore, some extra excavation was carried out due to which form work was used. However, the record entries of the MB were not supported the reply, which clearly indicated that concrete was laid in foundation in full width without using form work, therefore, audit stressed upon the recovery of overpaid amount. No further meeting was held till finalization of report.

The Authority needs to recover the overpaid amount from the contractors.

### **1.32 Overpayment due to allowing excessive non schedule rates - Rs.0.438 million**

“To facilitate preparation of estimates and also to serve as a guide in settling rates in connection with contract agreement, a schedule of rates for each kind of work should be maintained. It should be prepared on the basis of the rates prevailing in

each locality. The rates entered in estimate should generally agree with the schedule rates but where, from any cause, the later are not considered sufficient, the deviation should be explained in detail in the report to estimate”, as per Para 296 of CPWA Code.

The BDA awarded the work “Water Supply, Plumbing Work and Machinery with Pump fixation at Marble and Other Stone Cutting Unit, Gaddani” to a contractor in August 2006. An expenditure of Rs.1.718 million was incurred up to 2<sup>nd</sup> running bill paid in June 2007. It was observed that an item of work “Fiber Water Tank (1000 liter) including connection from tank to bathrooms” was paid @ Rs.0.250 million on NSR bases. In this connection, it is pointed out that a rate of Rs.28363.65 per No. has been provided in Balochistan CSR 1998 which should have been allowed to the contractor by allowing premium @ 9.90 % above. Due to allowing exorbitant NSR an overpayment of Rs.0.438 million was made, as detailed below:

<b>(Rs. in million)</b>				
<b>Quantity</b>	<b>Rate Paid</b>	<b>Rate Admissible</b>	<b>Diff.</b>	<b>Total</b>
2 Nos.	0.250	0.031	0.219	0.438

The matter was reported to the BDA during January 2009 but with no response. In DAC meeting held on 11<sup>th</sup> February, 2009 the BDA stated that the rate of 250000/- was inclusive of additional jointing material like Gate valve GI pipes connecting the tank with underground water tank and making of platforms for placing fiber tanks. Audit pointed out that the payment for GI pipes and other material was paid separately. The BDA could not substantiate its reply from the record. No further meeting was held till finalization of report.

The Authority needs to recover the overpaid amount from the contractors.

### **1.33 Overpayment due to allowing excess rate of premium - Rs.0.334 million**

“The government fixed premium @ 12 % below on road work and 13 % above on civil work for Lasbela District respectively”, as per Planning and Development Department’s notification No. P&D/ROCT (i) 129/2004/6500 dated 6<sup>th</sup> September, 2004.

The BDA awarded the work “Construction of building and allied civil works of cotton ginning factory, Uthal” to a contractor on 22<sup>nd</sup> December, 2004 @ 13 % above CSR 1998. Scrutiny of record revealed that an expenditure of Rs.1.337 million was incurred on construction of link roads / internal roads and paid @ 13 % above instead of 12 % below of CSR 1998. It resulted in an overpayment of Rs.0.334, as calculated below:

<b>(Rs. in million)</b>			
<b>Total value of road work</b>	<b>Premium Payable 12 % below</b>	<b>Premium Paid 13 % above</b>	<b>Overpaid Amount</b>
1.337 million	0.160	0.174	0.334

The matter was reported to the BDA during January 2009 but with no response. In DAC meeting held on 11<sup>th</sup> February, 2009, the Authority intimated that the after recalculation, the overpaid amount came to Rs.195,380 and the same was recovered from the security deposit of the contractor. The audit pointed out that the total amount for the road work was Rs.1.337 million; therefore, an amount of Rs.0.334 million should have been recovered.

The Authority needs to produce relevant record for verification of recovery pointed out by the audit.

#### **1.34 Overpayment due to wrong calculation - Rs.0.308 million**

“The Sub Divisional Officer before signing the bill should compare the quantities in the bill with these recorded in measurement book and check arithmetically”, as per Para 221 of CPWA Code.

The BDA awarded the work “Improvement of Jamiat-ul-Mohsinat, Muhammad Shah Town, Quetta” to a contractor on 6<sup>th</sup> June, 2006. 5<sup>th</sup> and final bill was paid on 30<sup>th</sup> June, 2007. It was observed that a quantity of 385 Kg steel was measured and recorded in MB. This quantity was to be carried over in abstract of quantity and cost. Up to 4<sup>th</sup> running bill it was correctly recorded in the abstract. While preparing the final bill it was recorded as 3851 Kg, which resulted in an overpayment of Rs.0.308 million, as detailed below:

<b>(Rs. in million)</b>				
<b>Quantity payable</b>	<b>Quantity Paid</b>	<b>Difference</b>	<b>Rate Per Kg</b>	<b>Amount</b>
385 Kg	3851 Kg	3466 Kg	80.75	0.280
Add 10 % Premium				0.028
<b>Total</b>				<b>0.308</b>

The matter was reported to the BDA during January 2009 but with no response. In DAC meeting held on 11<sup>th</sup> February, 2009 BDA intimated that the payment of grill was made to the contractor according to the actual weight. The design of grill was prepared by less spacing of internal bars / strips; therefore, the weight of 1 sft

grill came up to 2.75 Kg. Reply was irrelevant, therefore, audit stressed upon recovery of overpaid amount.

The Authority needs to recover the overpaid amount from the contractor and deposit the same into government account.

### **1.35 Overpayment due to wrong calculation - Rs.0.221 million**

“Before the bill of a contractor is prepared, the entries in the measurement book relating to the description in the quantities of work should be scrutinized by the Sub Divisional Officer and the calculations of “Contents of area” should be checked arithmetically under his supervision”, Para 220 of CPWA Code.

The BDA awarded the work “Water Supply, Plumbing Work and Machinery with Pump fixation at Marble and Other Stone Cutting Unit Gaddani” to a contractor in August 2006. According to memorandum of quantity and cost as recorded on Page No.13 of MB, a net payment of Rs.0.425 million was made to the contractor against the actual payable amount of Rs.0.204 million, resulting in overpayment of Rs.0.221 million.

The matter was reported to the Authority during January 2009 but with no response. In DAC meeting held on 11<sup>th</sup> February, 2009, the Authority conceded the recovery without verification of record. No further meeting was held till finalization of report.

The Authority needs to recover the overpaid amount from the contractor and deposit the same into government account.

### **1.36 Overpayment due to allowing higher premium - Rs.0.178 million**

“Before the bill of a contractor is prepared, the entries in the measurement book relating to the description in the quantities of work should be scrutinized by the Sub Divisional Officer and the calculations of “Contents of area” should be checked arithmetically under his supervision”, as per Para 220 of CPWA Code.

The BDA, while typing the comparative statement of the work “Extension of Gawak Radeeq Road, District Kech,” for signature of Chairman and other members of bid evaluation committee, the rate of premium was typed as 23.93 % instead of 22.92 % and work order was issued accordingly. Subsequently, further payments were made @ 23.92 % which resulted in an overpayment of Rs.0.178 million till end of financial year 2006-07, as detailed below:

**(Rs. in million)**

<b>Total value of civil work</b>	<b>Premium due @ 22.92 %</b>	<b>Premium paid @ 23.92 %</b>	<b>Excess premium</b>
17.764	4.071	4.249	0.178

The matter was reported to the Authority during January 2009 but with no response. In DAC meeting held on 11<sup>th</sup> February, 2009, the Authority conceded the recovery without verification of record. No further meeting was held till finalization of report.

The Authority needs to recover the overpaid amount from the contractor and deposit the same in government account.

### **1.37 Overpayment due to allowing premium on NSR - Rs.0.145 million**

“To facilitate preparation of estimates and also to serve as a guide in settling rates in connection with contract agreement, a schedule of rates for each kind of work should be maintained. It should be prepared on the basis of the rates prevailing in each locality. The rates entered in estimate should generally agree with the scheduled rates but where, from any cause, the latter are not considered sufficient, the deviation should be explained in detail in the report to estimate”, as per Para 296 of CPWA Code.

The BDA awarded the work “Water Supply, Plumbing Work and Machinery with Pump fixation at Marble and Other Stone Cutting Unit, Gaddani” to a contractor in August 2006. The work was awarded @ 9.90 % above CSR 1998, which was admissible on scheduled items rates. On the contrary, premium was also allowed on Non schedule rates which resulted in overpayment of Rs.0.145 million as detailed below:

**(Rs. in million)**

<b>Total Value of Work Done</b>	<b>Cost of Schedule Items</b>	<b>Cost of NSR Items</b>	<b>Premium Due</b>	<b>Premium Paid</b>	<b>Excess Premium Paid</b>
1.718	0.251	1.467	0.025	0.170	0.145

The matter was reported to the BDA during January 2009 but with no response. In DAC meeting held on 11<sup>th</sup> February, 2009 the BDA conceded the recovery without verification of record. No further meeting was held till finalization of report.

The Authority needs to verify the recovery from audit.

### 1.38 Overpayment by allowing excess quantity - Rs.0.132 million

“The Sub Divisional Officer before signing the bill should compare the quantities in the bill with those recorded in measurement book and check arithmetically”, as per Para 221 of CPWA Code.

The BDA awarded the work “Improvement of Jamiat-ul-Mohsinat, Muhammad Shah Town, Quetta” to a contractor on 6<sup>th</sup> June, 2006. 5<sup>th</sup> and final bill was paid on 30<sup>th</sup> June, 2007. An overpayment of Rs.0.132 million was made due to the reason that the item “Providing and fixing Iron grill of required section using flat iron strip 3/4” and 1/8” is payable @ Rs.80.75 per Kg under S.I.No.28-38 + 28-38(a). The weight was to be calculated by taking equation 1sft = 1Kg whereas scrutiny of MB revealed that the payable quantity was worked out by multiplying 1 Sft with 2 Kg, which was incorrect. It resulted in an overpayment of Rs.0.132 million as calculated below:

(Rs. in million)				
Quantity Paid	Quantity Payable	Excess Quantity	Rate Per Kg (Rs.)	Total
2964 Kg @ 1 Sft = 2 Kg	1482 Kg @ 1 Sft = 1 Kg	1482 Kg	80.75	0.120
Add 10 % premium				0.012
<b>Total</b>				<b>0.132</b>

The matter was reported to the BDA during January 2009 but with no response. In DAC meeting held on 11<sup>th</sup> February, 2009, the BDA intimated that the payment of grill was made to the contractor according to the actual weight. The design of grill was prepared by less spacing of internal bars / strips therefore; the weight of 1 sft grill came up to 2.75 Kg. Reply was not tenable because the approved design



of grill was neither presented in the DAC nor recorded in MB. Therefore audit stressed upon recovery of overpaid amount. No further meeting was held till finalization of report.

The Authority needs to recover the overpaid amount from the contractor and deposit the same in government account.

## **Balochistan University of Engineering & Technology Khuzdar**

The Balochistan University of Engineering & Technology Khuzdar was established in 1994. During the year 2006-07, funds of Rs.91.391 were provided as summarized below:

<b>(Rs. in million)</b>			
<b>S.No.</b>	<b>Description</b>	<b>Allotment</b>	<b>Expenditure</b>
1	Development	29.000	12.269
2	Non-development	88.848	79.122
<b>Total</b>			91.391

One issue regarding unauthorized payment of computer allowance of Rs.0.918 million has been included in this chapter.

### **AUDIT FINDINGS**

#### **1.39 Unauthorized payment of computer allowance - Rs.0.918 million**

“Computer allowance is only admissible to Computer Personnel (Computer Operator, Computer Programmer / Analyst, KPOs, Data Entry Operator) specifically recruited for the posts and working full time in a computer cell. Officials, who were working on computer but do not hold appointments under prescribed recruitment rules for computer personnel, are not entitled for computer allowance”, Finance Division O.M. dated 28<sup>th</sup> August, 1992, and the clarification issued by Finance Department Balochistan vide letter dated 26<sup>th</sup> December, 1994.

Computer allowance was allowed to almost all University officials, majority of whom neither possessed prescribed qualification nor their appointments were made according to recruitment rules of computer personnel. This resulted in unauthorized payment of Rs.0.918 million as detailed in annexure 8.

The matter was reported to the University in January 2008, In DAC meeting held on 21st October, 2008, it was intimated by the management that the Syndicate of the University approved said allowance in its 8<sup>th</sup> meeting. Audit pointed out that the approval of syndicate does not serve the purpose in this case as payment was made in violation of policy / orders of Ministry of Finance dated 28<sup>th</sup> August, 1992 and instructions issued by the HEC on the subject. It was decided by the DAC, that policy regarding payment of Computer Allowance should be framed and vetted from Higher Education Commission, Islamabad as well as Government of Balochistan to avoid confusion in future.

The University needs to implement the decision. Besides, payment of computer allowance to un-entitled personnel may be stopped till the formulation of policy as agreed.

**Balochistan University of Information Technology and Management Sciences  
(BUI/TMS)**

Balochistan University of Information Technology and Management Sciences was chartered on 8<sup>th</sup> July, 2002 through Balochistan Ordinance No.XI of 2002 dated 18<sup>th</sup> July, 2002. The purpose of the university is promotion and dissemination of knowledge in areas of emerging science and technology to provide for instruction, training research, demonstration and service in such branches of learning as the University may determine.

Funds allocated / provided to university and expenditure incurred during 2002-03 to 2006-07 is summarized below:

**(Rs. in million)**

<b>Year</b>	<b>Actual Receipt</b>	<b>Expenditure</b>	<b>Balances</b>
2002-03	61.494	37.997	23.497
2003-04	60.361	47.052	13.309
2004-05	108.242	141.308	(-)33.066
2005-06	252.585	254.999	(-)2.414
2006-07	404.835	259.453	145.382
<b>Total</b>	<b>887.517</b>	<b>740.809</b>	<b>146.708</b>

**AUDIT FINDINGS**

**1.40 Non-production of record store / stock - Rs.90 million**

“It is the duty of every departmental and controlling officer to see that the audit is afforded all reasonable facilities in the discharge of his functions and furnished with fullest possible information and record for which he may ask, for preparation of any report. No such information nor any book or other documents to which the

Auditor General has a statutory right of access may be withheld from the audit”, as per Para 17 of GFR Vol-I.

An expenditure of Rs.90 million was incurred on procurement of machinery, equipment, furniture and other miscellaneous goods, purchased by the university during the years 2002-03 to 2006-07. The concerned authorities were requested to provide tender documents, bids submitted by the firms / contractors, bid evaluation reports with comparative statement, agreement, supply orders, Performa invoices of lab equipment purchased through letter of credit, inspection reports confirming receipt of store and specifications, but the same were not provided to audit.

The matter was reported in June 2008, but no response was received. In DAC meeting held on 11<sup>th</sup> November, 2008, the Committee directed the University to produce all the relevant record to audit for verification, but no record was produced till finalization of report.

The University needs to conduct an inquiry inclusive of a member from audit side in order to ensure the genuineness of the heavy expenditure incurred in absence of related documentary evidence.

#### **1.41 Shortage of equipment, furniture etc. - Rs.15.881 million**

“The Director Procurement being in charge of store purchase organization of the university was required to maintain all kinds of stock registers in main store and arrange physical verification every year”, as per BUITMS Financial Rules.

On the contrary, stock registers were not maintained by the BUTMS authorities. On the request of university authorities, a physical verification was carried out under the supervision of Director, Quality Enhancement Cell associated with audit representative, which resulted in shortage of Rs.15.881 million as detailed in annexure 9.

The matter was reported in June 2008, but no response was received. In DAC meeting held on 11<sup>th</sup> November, 2008, the Para could not be discussed in detail due to non-availability of reply by the university.

Disciplinary action needs to be initiated against the responsible officer and the amount may be recovered.

#### **1.42 Non-recovery of advances - Rs.11.367 million**

“When a requisition for general advance is made for certain specific expenses, the Director / Treasurer with the approval of Vice Chancellor may allow the advance to the requisitioner. It is important that the advance holder should render the statement of expenses within 30 days of incurring expenditure duly supported by cash memos and evidence that all codal formalities where applicable, have duly been observed. Advance should not be drawn unless it is immediately required”, as per Para 9.1 of BUTMS Financial Rules.

Temporary advances of Rs.11.367 million on account of petty expenditure and procurement, TA, salary were outstanding at the end of financial year 2006-07 as detailed below:

**(Rs. in million)**

<b>S. No.</b>	<b>Year</b>	<b>Advances Given</b>	<b>Advances Recovered</b>	<b>Balance</b>
1	2002-03	0.786	0.570	0.216
2	2003-04	2.530	1.558	0.971
3	2004-05	20.935	11.643	9.292
4	2005-06	15.038	11.970	3.068
5	2006-07	6.310	8.490	-2.181
<b>Total</b>		<b>45.599</b>	<b>34.231</b>	<b>11.367</b>

The outstanding advances gradually piled up during the period from 2002-03 to 2006-07. Advances were not regulated in accordance with above mentioned rule, which resulted in the undue accumulation. The same enabled the advance holders to keep advances in their custody for longer period than admissible.

The matter was reported in June 2008. In DAC meeting held on 11<sup>th</sup> November, 2008, it was intimated that out of Rs.11.367 million recovery / adjustment of Rs.6.066 million was made on the instance of audit and remaining amount of Rs.5.301 million was still outstanding. The Committee directed the University to produce the adjustment record to audit for verification, but no record was produced till finalization of report.

The University needs to verify the recoveries from audit and remaining amounts worth Rs.5.301 million be recovered immediately.

### **1.43 Irregular expenditure on renovation of labs - Rs.9.291 million**

“The Director Works shall work out and prepare detailed estimate of quantities of items under all the classified heads. The estimates so prepared shall be submitted to Director Finance who shall check the proposed estimates of expenditure with the budget provision and process it for obtaining concurrence and administrative approval of Vice Chancellor. Consequent upon issuance of administrative approval, the Director Works shall call the tenders. The works committee shall scrutinize the tenders. When tenders are approved, the Director Finance shall issue the proper Sanction of expenditure. Payment shall be made by preparing contractor bill based on the detailed measurement recorded in MB by the Director Works”, as per Clause 16 (b, c, g), 13.1 (a, b) of BUITMS Financial Rules read with Para 178 (i to iv) of GFR Vol-I.

Scrutiny of Projects Accounts in BUITMS revealed that an expenditure of Rs.9.291 million was incurred on construction and renovation of different laboratories, syndicate room, etc. at Takatu Campus as detailed below:

**(Rs. in million)**

<b>S.No.</b>	<b>Voucher No. &amp; Date</b>	<b>Name of firm</b>	<b>Amount</b>
1	104/8 Dated 17.08.2005	Computer Resources, Quetta	2.537
2	24/3 Dated 11.03.2005	Computer Resources, Quetta	6.754
<b>Total</b>			<b>9.291</b>

The expenditure was incurred without preparing detailed estimate, administrative approval and expenditure sanction in the prescribed manner under the sanction of



Vice Chancellor. Moreover, the tender documents bid evaluation reports were not available on record. The payments were made in advance without preparing MB.

The matter was reported in June 2008. In DAC meeting, the Para was not discussed due to non- availability of reply.

The University needs to regularize the expenditure from the competent authority.

#### **1.44 Unauthorized expenditure from development funds - Rs.6.847 million**

“A controlling officer must see that the funds allotted to spending units are expended in the public interest and upon the object for which the money was provided”, as per Para 12 of GFR Vol-I.

In BUITMS, the Higher Education Commission provided development funds of Rs.18.829 million for establishing telecommunication lab at Takatu campus as detailed below:

**(Rs. in million)**

<b>S.No.</b>	<b>Voucher No. &amp; Date</b>	<b>Authority No.</b>	<b>Cheque No. &amp; Date</b>	<b>Purpose</b>	<b>Amount</b>
1	18/10 dt 18-11-05	No. HEC (FD)2005/ 674 dt 30-09-05	B-616750 dt 28-09-05	Establishment of Telecommunication lab at University.	5.623
2	18/11 dt 18-11-05	No. HEC (FD) 2005/ 1311 dt 02-11-05	B-620083 dt 01-11-05	Establishment of Telecommunication lab at University.	6.538
3	24/3 dt 14-03-06	No. HEC (FD)2006/1298 dt 09-03-06	B-637442 dt 08-03-06	Establishment of Telecommunication lab at University.	6.539
4	67/5 dt 23-05-06	No. HEC (FD)2006/ 288 dt 17-05-06	B-648330 dt 17-05-06	Establishment of Telecommunication lab at University.	0.129

The first two installments were deposited in the relevant bank accounts, while, the remaining two installments in bank account No.262695, which was being maintained for recurring non- development expenditure. Subsequently, the funds were disbursed without maintaining separate vouched account. In this way the development funds were utilized on non-development activities resultantly, the telecommunication lab could not be established till the end of 2006-07.

The matter was reported in June 2008 but no response received. In the DAC meeting held on 11<sup>th</sup> November, 2008 the University intimated that due to shortage of fund interbank loaning was made due to which proper balances were not worked out. The interbank adjustments were in process and further progress would be intimated in due course. Reply was not satisfactory because no authority can spent funds in deviation of prescribed objects. Besides, the interbank adjustment could not be made even after expiry of two years. Consequently, the DAC directed to get the verification of adjustment of loans should be made from audit, but no record was got verified till finalization of report.

The university needs to regularize expenditure from competent authority.

**1.45 Excess expenditure on account of consultancy charges – Rs.5.712 million**

“Contracts should be placed only after tenders have been openly invited and, in cases where the lowest tender is not accepted, reasons should be recorded. As far as possible, legal and financial advice should be taken in the drafting of contracts

before they are finally entered into. The terms of contract must be precise and must be no room for ambiguity and misconstruction therein”, as per Para 19 of GFR Vol-I.

The contract for providing consultancy service and other professional services for the project “Construction and renovation of BUITMS Takatu Campus” was awarded to M/s NESPAK on 31<sup>st</sup> July, 2007. The services of consultant were hired without inviting competitive bids through newspapers. The agreement was awarded without seeking legal and financial advise regarding terms and conditions included in the agreement, which were very disadvantageous for the university. Particularly, the Clause 3 of Appendix C regarding balance payment of 40 % for construction phase was favorable for the consultant. It stipulates that in case actual construction period exceeds the time limit, the NESPAK remuneration for extended period shall be payable on prorated basis. As all the projects could not be completed within stipulated period, therefore, consultancy charges were exceeded by Rs.5.712 million, as detailed below:

<b>(Rs. in million)</b>				
<b>S. No.</b>	<b>Name of project</b>	<b>Sanctioned amount</b>	<b>To date expenditure</b>	<b>Excess</b>
1	Infrastructure and capacity enhancement (Additional floor)	0.884	1.286	(-) 0.402
2	Rehabilitation and remodeling of BUITMS Takatu Campus	3.353	4.741	(-) 1.388
3	Development and capacity building	7.643	7.065	(+)0.578
<b>Excess Up to 30<sup>th</sup> June 2007 (Total)</b>		<b>11.88</b>	<b>13.092</b>	<b>(-)1.212</b>
4	Add further payment made vide V.No.25/9 dated 04 <sup>th</sup> September 2007	0	4.5	(-) 4.5
<b>Grand Total</b>		<b>11.88</b>	<b>17.592</b>	<b>5.712</b>

The matter was reported in June 2008, and was discussed in DAC. Committee directed the University authorities to provide original record to audit for verification but no record was provided till finalization of report.

The University needs to get the expenditure regularized from the senate.

#### **1.46 Sub standard purchase of rig machine - Rs.3.275 million**

“Specification shall allow the widest possible competition and shall neither favor any single contractor or supplier nor put others at a disadvantage. Specification shall be generic and shall not be inclusive of brand names, model numbers, catalogue numbers or similar classifications”, as per Rule 10 of Public Procurement Rules, 2004.

Scrutiny of accounts revealed that an expenditure of Rs.3.275 million was incurred on purchase of Stenuick-France Mobile Rig machine. The expenditure in question was held irregular because the procurement was made without specifying generic specifications of the rig machine. During physical verification duly constituted by the University, it was observed that the rig machine was not of the brand, for which Rs.3.275 million was paid to the firm. Auditee also did not produce any such record, which might have confirmed that the said machine was imported.

The matter was reported in June 2008, and was also discussed in DAC held on 11<sup>th</sup> November, 2008. After detailed discussion, the matter was deferred till next meeting.

The University authorities need to fix the responsibility against the responsible officer.

**1.47 Less recovery of penalty - Rs.0.701 million**

“The contractor shall complete the work within stipulated time failing to which shall pay amount 0.1 % per day up to maximum 10 % of the sum stated in Letter of Acceptance”, as per Clause 7.1 of conditions of contract read with Clause 7.4 of Contract Data.

According to the contract price as stated in letter of acceptance of the work “Rehabilitation of Takatu Campus” was Rs.46.255 million and completion period was 6 months, which ended on 30<sup>th</sup> August 2005. Since then 660 days elapsed till 30<sup>th</sup> June, 2007, but work could not be completed. No time extension was allowed. Therefore, the contractor was liable to pay penalty which come to Rs.4.626 million. On the contrary, penalty of Rs.3.925 million was realized up to 6<sup>th</sup> running bill.

The matter was reported in June 2008, but no response was received. In DAC meeting held on 11<sup>th</sup> November, 2008, the university accepted the recovery and it was decided that the recovery will be made accordingly, but no progress was intimated to audit till finalization of report.

The University authorities need to affect the recovery from the contractors.

**1.48 Loss due to purchase of computers at higher rate - Rs.0.575 million**

“Every Government officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government officer to the extent to which it may be shown that he contributed to the loss by his own action or negligence”, as per Rule 23 GFR Vol-I.

P-IV unbranded computers valuing Rs.3.388 million were purchased by BUITMS during the year 2004-05 without inviting open tender through newspaper in violation of Clause 10.1 of BUITMS Financial Rules. The computers were purchased at @ Rs.45900/- and Rs.43700/- from two different firms. The rates were comparatively on higher side because during the same period computers of identical specification were purchased for Blue Chip Lab from local market @ Rs.37500/- each. Due to purchase of computers at higher rate, the government sustained by a loss of Rs.0.575 million as detailed below:

**(Rs. in million)**

<b>Vr. No. &amp; Date</b>	<b>Items</b>	<b>Qty</b>	<b>Rate paid (Rs.)</b>	<b>Rate Payable (Rs.)</b>	<b>Difference (Rs.)</b>	<b>Amount</b>
81 / 3	P4 Computers	34	45900	37500	8400	0.286
	P4 Computers	11	45900	37500	8400	0.092
	P4 Computers	5	45900	37500	8400	0.042
66 / 7	P4 Computers	25	43700	37500	6200	0.155
<b>Total</b>						<b>0.575</b>

The matter was reported in June 2008. In DAC meeting held on 11<sup>th</sup> November, 2008 it was intimated that the specification of the computers purchased from M/s Carrier Telephone Industries (Pvt) Ltd., Islamabad was superior to the computers purchased from M/s Computer Resources, Quetta, therefore, rates of both the firms differ from each other. The Committee directed the University to produce the original bills of both the firms with specifications and technical assessment report to audit for verification, but no record was produced till finalization of report.

The University authorities need to make good the loss from the concerned official(s).

**1.49 Overpayment due to allowing extra excavation of foundation - Rs.0.436 million**

“The quantities set out for excavation and its subsequent disposal shall be deemed to be the bulk quantity before excavation and no allowance shall be made for subsequent variation in bulk or for any extra excavation”, as per technical specifications (Tender and Contract Document Vol-II).

The work “Construction of Takatu Campus Quetta Phase II” was awarded to a contractor at the cost of Rs.90.424 million. Before, entering into contract with the contractor, the scope of work was reduced by abandoning some allied buildings and the cost reduced to Rs.55 million. Despite, reduction of scope of work following item of work were increased from the estimated quantities of original contract, resulting overpayment of Rs.0.436 million as detailed below:

(Rs. in million)

BOQ No.	Description	Estimated quantity cft	Paid up quantity cft	Excess / difference cft	Rate Per cft (Rs.)	Total
01-1C	Excavation	65855	78777.70	12922	5	0.065
01-2C	Fill and back fill					
	a) From excavation	19840	48041.70	28201.770	2	0.056
	b) From outside	18760	54970.53	36210	8	0.290
02-1C	Excavation	21474	26400.35	4926.35	5	0.025
<b>Total</b>						<b>0.436</b>

The matter was reported in June 2008, but no response was received till finalization of report. In DAC meeting held on 11<sup>th</sup> November, 2008, the Para was not discussed as no reply was offered.

The University authorities need to recover the overpaid amount from the contractor, besides, fix responsibility on the person(s) at fault.

**1.50 Overpayment due to allowing excess quantity of filling material - Rs.0.417 million**

“The excavation material if found suitable shall be stockpiled within the free haulage limit of the project boundary. The material shall be used for filling or back filling if approved by site engineer and shall be transported by the contractor anywhere required for the purpose of filling / back filling work in the contract”, as per technical specification of (Tender and Contract Document Vol-II).

Scrutiny of 4<sup>th</sup> running bill of the contractor paid on 14<sup>th</sup> September, 2006 revealed that payments of Rs.183632 and Rs.439764 were made for filling and



back filling, with the material obtained from outside for the work “Vice Chancellor residence and student hostel” respectively. The material for filling was allowed despite the fact that sufficient quantity of excavated material was available at the site as detailed below:

(Quantities in cft)

<b>Component</b>	<b>Excavated material</b>	<b>Used in back filling</b>	<b>Balance</b>	<b>Obtained from outside</b>	<b>Actual Required</b>
VC Residence	26400	4951	21448	22954	1506
Students Hostel	78778	48042	30736	54971	24235
<b>Total</b>				<b>77925</b>	<b>25741</b>

25,741 cft material was actually required to be obtained from outside. On the contrary, 77,925 cft material was shown obtained from outside which resulted in overpayment of Rs.0.417 million, as detailed below:

<b>Material Obtained from outside</b>	<b>Material to be obtained from outside</b>	<b>Excess Quantity</b>	<b>Rate</b>	<b>Amount (Rs.)</b>
77925 cft	25741 cft	52184 cft	8/- per cft	417,472

The matter was reported in June 2008 but no response received till finalization of report. In DAC meeting held on 11<sup>th</sup> November, 2008, it was replied by the university that utilization of excavated material is the discretion of the site engineer, since the excavated material was not suitable for refilling. Since the claim was not supported by the documentary evidence (Lab Test Report) and record entry in MB therefore, audit did not agree to the reply.

The University authorities need to recover the overpaid amount from the contractor.

### **Lasbela Industrial Estates Development Authority**

The Lasbela Industrial Estates Development Authority (LIEDA) was established under an Ordinance in 1984. Primary objective of its establishment was to provide infrastructure facilities such as road, water, sewerage, power, gas and telecommunication to the industrialists in its five industrial estates and one special industrial zone situated in Lasbela District.

The Authority generates its own funds. Main sources of the income are sale of plots, annual ground rent and saving from electricity and power charges to be charged from the industrialists. The electricity and water are procured in bulk from Karachi Electric Supply Corporation (KESC) and from Provincial Irrigation department respectively. During the financial year 2006-07, the income was Rs.583.312 million against which an expenditure of Rs.526.847 million was incurred.

### **AUDIT FINDINGS**

#### **1.51 Outstanding dues on account of water charges - Rs.21.898 million**

“It is the duty of departmental controlling officer to see that all sums due to government are regularly and promptly assessed, realized and duly credited into the Government Account”, as per Para 26 of GFR Vol-I.

Scrutiny of receipt account of water charges of LIEDA revealed that an amount of Rs.21.898 million were outstanding against various industrial units since long. No efforts have so far been made for recovery of the said dues.

The matter was reported to LIEDA authorities during August 2008 but no reply received. In DAC meeting held on 24<sup>th</sup> November, 2008, it was intimated by the Authority that recovery section is functioning effectively to ensure prompt recovery of the dues and for the purpose, notices have been issued to all the concerned. The Committee directed the LIEDA to intimate the further progress regarding recovery of water charges to audit, but no progress was reported till finalization of report.

The Authority needs to recover the outstanding dues from the defaulters in addition to evolve an effective mechanism not only to realize the outstanding amount but to stop further accumulation too.

#### **1.52 Outstanding dues on account of electricity charges - Rs.21.176 million**

“It is the duty of departmental controlling officer to see that all sums due to government are regularly and promptly assessed, realized and duly credited into the Government Account, as per Para 26 of GFR Vol-I.

Scrutiny of receipt account of electricity charges of LIEDA revealed that an amount of Rs.21.176 million were outstanding against various industrial units since long. No efforts have so far been made for recovery of the said dues.

The matter was reported to LIEDA authorities during August 2008 but no reply received. In DAC meeting held on 24<sup>th</sup> November, 2008, it was intimated by the Authority that the aim of LIEDA is not only to recover the outstanding dues but to help out the industries for revival, which are closed since long and recovery

section of the authority is functioning effectively to ensure prompt recovery of the dues. The Committee directed the Authority to intimate the further progress regarding recovery of outstanding dues to audit, but no progress was reported till finalization of report.

The Authority needs to recover the outstanding dues from the defaulters immediately in addition to evolve an effective mechanism not only to realize the outstanding amount but to stop further accumulation too.

## **COMMUNICATIONS & WORKS DEPARTMENT**

Construction, maintenance and repair of roads, bridges, tunnels, ropeways and buildings, are the main functions of the department. It also renders services in the field of engineering training for the departmental Engineers, Public Health Works pertaining to government buildings and government residential estates.

During the year 2006-07, twenty nine formations including a foreign-aided project were audited. Funds amounting to Rs.6228 million were allocated to the department, out of which Rs.5736 million was planned for audit which is equal to 90 % of the total budget. Fourteen audit observations involving Rs.217.748 (4 %) were included in this chapter.

### **AUDIT FINDINGS**

#### **2.1 Unauthorized enhancement of contract - Rs.65 million**

“The tenders in most open and public manner should be invited while giving out contracts”, as per Para 2.61 of B&R Code.

Construction of two new bridges on Winder-Kanraj road was awarded without inviting open tenders, to the existing contractor for the work of construction of bridge (500 Rft) in the vicinity on the same road. For this purpose the value of existing contract of Rs.44 million was enhanced to Rs.109 million. The said

enhancement was unauthorized due to the reason that work of new bridges should have been awarded through open tender system.

The matter was reported to the department in the month of July 2008, no reply received. In DAC meeting held on 12<sup>th</sup>, 13<sup>th</sup> & 14<sup>th</sup> February, 2009, the department was directed to get the case regularized from the Finance department.

The Department needs to regularize the expenditure from the Finance department, besides, take appropriate action against the responsible person(s) for such casual attitude and avoid recurrence.

## **2.2 Non-recovery of compensation amount - Rs.34.599 million**

“In the event of the contractor failing to complete work within the time limit, he shall be liable to pay as compensation an amount equal to one percent or such smaller amount as the Superintending Engineer may decide on the said estimated cost of the whole work for every day that the due quantity of the work remains incomplete. The amount of compensation may not exceed 10 % of the estimated cost of the work”, as per Clause 2 of contract agreement.

The various divisions of the department, could not be completed the development schemes within the stipulated period, but the Divisional Officers concerned neither extended time limit with the approval of competent authority nor the compensation was realized from the defaulting contractors, as detailed in attached annexure 10.

The matter was reported to the department in the month of July 2008 but no reply received. In DAC meeting held on 12<sup>th</sup>, 13<sup>th</sup> & 14<sup>th</sup> February, 2009, the department contended that the work could not be completed due to non-provision of funds by the government; therefore, the contractors were not at fault. The concerned Divisional Officers were directed to provide year wise details of funds allocated for the schemes concerned and get it verified from audit, but no response was given till the finalization of report.

The Department needs to get the record verified by the audit.

### **2.3 Excess expenditure over and above budget grant - Rs.30.687 million**

“Every departmental officer is ultimately responsible for keeping of expenditure within authorized grant. For this purpose, he should be in position to counter the likelihood of saving and excess by adopting prescribed measure”, as per Rule 89 of GFR Vol-I.

The following offices of the department, incurred an expenditure of Rs.30.687 million in excess of authorized budget grant as detailed below:

<b>(Rs. in million)</b>					
<b>S. No.</b>	<b>Name of Division</b>	<b>Head of Account</b>	<b>Authorized Budget</b>	<b>Actual Expenditure</b>	<b>Excess Expenditure</b>
1	Maintenance Division-III	Establishment Charges	11.638	36.170	24.532
2	Secretary, C&W	Establishment Charges	12.016	18.171	6.155
<b>Total</b>					<b>30.687</b>

The matter was reported to the department in the month of July 2008 but no reply received. In DAC meeting held on 12<sup>th</sup>, 13<sup>th</sup> & 14<sup>th</sup> February, 2009, the department was directed by the Committee to get approval of the Finance department.

The Department needs to regularize the expenditure from Finance department, besides, establish the budget control mechanism to avoid recurrences.

#### **2.4 Unauthorized expenditure on repair and maintenance of government buildings - Rs.29.762 million**

“The civil officer who administratively controls the building will make requisition for the repair work to the Divisional Officer (Engineer) who shall prepare the estimate. The estimate when prepared will be submitted to the officer occupying the building for counter signature in token of all repairs so requisitioned, have been provided. Furthermore, no work shall commence unless properly detailed estimate has been sanctioned by the competent authority, except real emergent work, which must also be immediately reported to the authorities competent to accord technical sanction”, as per Para 2.20 and 2.52 of B&R code and 56 of CPWD Code read with Para 2.82 of B&R Code.

The Maintenance Division-III, incurred an expenditure of Rs.29.762 million on repair and maintenance of 47 different works in disregard of rules and procedures. These repair works were executed without any requisition from the concerned civil officers and estimates were also not got countersigned. All the works were



executed without technical sanction of the Superintending Engineer / Chief Engineer. The works were commenced without signing contract agreements as required under Para 89(c) of CPWD Code.

The matter was reported to the department in the month of July 2008 but no reply received. In DAC meeting held on 12<sup>th</sup>, 13<sup>th</sup> & 14<sup>th</sup> February, 2009, the Divisional Officer could not refute the irregularities. Consequently, the DAC directed to get the record verified from audit, but no verification was made till finalization of report.

The Department needs to regularize the expenditure from the Finance department.

## **2.5 Non-recovery of cost of bitumen - Rs.19.854 million**

“The recovery from a contractor on account of cost of materials issued to him for use on a work should ordinarily be made by deduction from the first bill authorizing an advance payment or on account payment to him for the work”, as per Para 243 of Central Public Works Accounts Code.

In B&R Divisions, Lasbela, Sibi and Jaffarabad, bitumen was purchased by the Divisional Office for various black top roads and issued to concerned contractors. The cost of the bitumen was required to be deducted / recovered from their running account bills. On the contrary, complete recovery was not made and an

amount of Rs.19.854 million was outstanding at the end of 2006-07 as detailed in attached annexure 11.

Matter was reported to the department during July 2008, no reply offered. In DAC meeting held on 12<sup>th</sup>, 13<sup>th</sup> & 14<sup>th</sup> February, 2009, the department was directed to affect the recovery from the contractors concerned. No progress of recovery was intimated till finalization of report.

The Department needs to recover the cost of bitumen from the contractors.

## **2.6 Unauthorized expenditure on improvement of sewerage system - Rs.16.292 million**

“No work shall commence unless a detailed estimate is technically sanctioned by the Chief Engineer in the case where the value of civil work exceeds Rs.2.5 million. Immediately a work is finished, it is the duty of Divisional Officer to close the accounts and prepare completion report. The engineer, who records the measurements in MB, is required to give name of component for which measurement was taken before recording each set of measurement in MB with dated initial”, as per Para 2.82, 2.116 of B&R code and S.No.1(1) of the Delegation of Powers, 1962, 209 of CPWA Code.

The work “Improvement of Sewerage System in Provincial Sandeman Hospital, Quetta” was awarded at the estimated cost of Rs.16.292 million on 7<sup>th</sup> October, 2006 by the authorities of Maintenance-III Quetta. An expenditure of Rs.15.957

million was incurred up to 30<sup>th</sup> June, 2007. The expenditure was unauthorized as the work was started and almost 98 % payment was made, but estimates were not technically sanctioned by the Chief Engineer. Neither the account of the scheme was closed nor was the completion report prepared and got verified from the M.S. Civil Hospital, Quetta. The measurements were recorded without mentioning exact location of work, name of component etc., due to which it became impracticable to verify component-wise measurements.

The matter was reported to the department in the month of July 2008 but no reply received. In DAC meeting held on 12<sup>th</sup>, 13<sup>th</sup> & 14<sup>th</sup> February, 2009, the Divisional Officer intimated that the estimate had been sanctioned by the Chief Engineer, but the same was not presented in the DAC. No response to other observation was given. The DAC directed the Divisional Officer to get the estimate and measurement verified from audit. The directive of DAC was not complied till the finalization of report.

The Department needs to get the relevant record verified by audit.

## **2.7 Unauthorized expenditure due to allowing excess quantity of steel - Rs.12.108 million**

“The authority granted by a sanction to an estimate must remain strictly limited to the precise objects for which the estimate was intended. If after the accord of technical sanction, alterations are contemplated, orders of the original sanctioning authority should be obtained even though no additional expenditure is involved”, as per Para 2.86 of B&R Code.

An item of work “Providing Fabricating and laying Deformed Steel” was paid to the contractors of 5 different schemes of B&R division Sibi. The quantity of steel was enhanced about 11 % to 434 % than the estimated quantity and paid accordingly without approval of competent authority. Therefore, the expenditure of Rs.12.108 million was irregular. Details are given in annexure 12.

The matter was reported to the department in the month of June 2008 but no reply received. In DAC meeting held on 12<sup>th</sup>, 13<sup>th</sup> & 14<sup>th</sup> February, 2009, the auditee was directed to produce relevant record in support of reply to audit for verification. The orders of DAC were not complied with by the department till finalization of report.

The Department needs to regularize the expenditure from the Finance department.

## **2.8 Unauthorized payment on account of earthwork - Rs.4.997 million**

“The Divisional and Sub Divisional Officers are responsible for ensuring correctness of rates, quantities and calculations before signing the bill of the contractor”, as per Paras 16 and 221 of CPWA Code.

A contractor was paid for an item of work “Making earthen embankment” for a quantity of 113837.81 cum @ Rs. 224.35 per cum under S.I.No.21-6/a+21-9+1-5 for the work “Construction / Black topping of Duki Hosri Road, Varezai section 0-20 Km”. The said quantity was inclusive of earth work done on shoulders of road as detailed below:

MB No.	Page No.	Length	Km	Quantity paid in cum
119	32 to 36	0-11 Km	11	21857.10
64	88	1 to 2+500	2.5	5776
64	192	3+000 to 6+000	3	6122.56
64	110	5+000 to 7+000	2	1270.72
64	139	2+500 to 8+000	5.5	4561.2
<b>Total</b>			<b>24</b>	<b>39587.58</b>

According to the entries made in MB, the length of road was 20 Km on which earth was laid. The width of shoulders was worked out by showing the width of road pavement 3.04 meter, instead of actual width 3.65 meter. Normally the width of shoulders remains up to three feet or one meter. Considering the width of shoulders as one meter, the actual required quantity of earth work should be 10000 cum (Length 20x1000m x width 1 m x depth 0.25 m x 2). Thus due to allowing excess width of road shoulders, an overpayment of Rs.4.997 million was made to the contractor as detailed below:

(Rs. in million)

Quantity paid cum	Quantity to be paid cum	Difference cum	Rate paid per cum (Rs)	Amount
39587.58	10000	28587.58	224.35	6.414
Less premium			22.08	1.416
			<b>Total</b>	<b>4.997</b>

The matter was reported to the department in July 2008 but no reply received. In DAC meeting held on 12<sup>th</sup>, 13<sup>th</sup> & 14<sup>th</sup> February, 2009, the department intimated that the actual width of road shoulders were six feet not three feet. The DAC directed the department to get the MB verified from audit. No record was produced till finalization of report.

The Department needs to recover the overpaid amount from the contractors.

## **2.9 Doubtful expenditure by recording superficial measurement - Rs.2 million**

“Advances to contractors are as a rule prohibited and every endeavor should be made to maintain a system under which no payments are made except for work actually done. No work shall commence unless properly detailed estimate has been sanctioned by the competent authority, except real emergent work, which must also be immediately reported to the authorities competent to accord technical sanction. The engineers, who recorded the measurements in MB, were required to give name of component for which measurement was taken before recording each set of measurement in MB with dated initial”, as per Para 56 of CPWD Code, 228, 209 of CPWA Code.

The work “Construction of additional classrooms and boundary wall in various schools, Quetta” was awarded to a contractor on 6<sup>th</sup> June, 2007. Work was undertaken without obtaining requisition from the department concerned and obtaining technical sanction from Chief Engineer. The estimated cost was Rs.2.00 million and within 20 days cent percent payment on the basis of measurement recorded in MB was made by 26<sup>th</sup> June, 2007. The repair work was carried out in various schools of Quetta, but the name of schools repaired were neither shown in estimates nor recorded in MB. In view of above stated position it is clear that amount was drawn by recording superficial measurements in MB.

The matter was reported to the department in July 2008, it was replied that Education department prepared a PC-I of Rs.20 million for construction of

additional rooms and boundary walls in various schools of Quetta District. An amount of Rs.2 million was provided in June 2007 for repair work in Government Boys High School, Killi Ismail, Quetta and the funds were utilized accordingly. The reply was not tenable because it was not substantiated. The matter was placed before the DAC which was held on 12<sup>th</sup>, 13<sup>th</sup> & 14<sup>th</sup> February, 2009, but the Divisional Officer Maintenance Division-II, did not provide any record to substantiate the expenditure.

The Department needs to conduct an inquiry with appropriate action.

#### **2.10 Unauthorized expenditure on repair of quarters - Rs.0.964 million**

“Open tender through leading newspapers should be invited where the value of purchase exceeds the limit of Rs.0.050 million”, as per Finance department order dated 6<sup>th</sup> October, 2006.

The work “Annual and special repair of quarter No.G-96 in One Unit Colony” repair works of quarter No.H-65, D-53, H-79 was awarded to a contractor at the cost of Rs.0.144 million. Subsequently two separate repair work of residential quarters valuing Rs.0.802 million were also awarded to the same contractor by enhancing the value of contract agreement from Rs.0.144 million to Rs.0.964 million. The action of Divisional Officer Maintenance Division-III was unauthorized because, no separate work above Rs.50000 could be allowed without inviting open tenders. It is worth mentioning that all three works were awarded without technical sanction of competent authority.

The matter was reported to the department in the month of July 2008 but no reply received. In DAC meeting held on 12<sup>th</sup>, 13<sup>th</sup> & 14<sup>th</sup> February, 2009, the Divisional Officer conceded that the estimates were not technically sanctioned by the Chief Engineer.

The department needs to regularize the expenditure from the Finance department, besides, take appropriate action against the defaulter(s).

**2.11 Unauthorized payment due to allowing excess quantity - Rs.0.774 million**

“The authority granted by a sanction to an estimate must remain strictly limited to the precise objects for which the estimate was intended. If after the accord of technical sanction, alterations are contemplated, orders of the original sanctioning authority should be obtained even though no additional expenditure is involved”, as per Para 2.86 of B&R Code, Para 56 of CPWD Code.

The work “Construction of Residential / Non-Residential accommodation for Assistant District Attorney at Kharan” was awarded to a contractor on 8<sup>th</sup> October, 2005. Different items of work were allowed in excess of the quantity than provided in the PC-I resulting unauthorized excess expenditure of Rs. Rs.0.774 million as detailed below:



(Rs. in million)

Item of Work	Quantity Paid	Quantity Payable (As per PC-I)	Difference	Rate (Rs.)	Amount
“Providing deformed steel using in all kind of R.C.C work in foundation, plinth, Beam, Slab etc under (SI.No.5-40)	18.642 Ton	10.435 Ton	8.207 Ton	34059.11 Per Ton	0.280
Providing and laying cement concrete using shingle or bajri 19mm (¾”) and down gauge in slabs etc under (SI.No.5- 12/a)	2163.08 Cft	737.88 Cft	1425.20 Cft	11635.05 P % Cft	0.166
Providing and laying 1:2:4 cement concrete floor etc under (SI.No.14- 2/a)	18055.53 Sft	2194.30 Sft	15861.23 Sft	1360.55 P % Sft	0.216
<b>Total</b>					<b>0.662</b>
Add 17 % Premium on CSR 1998					0.112
<b>Total</b>					<b>0.774</b>

The matter was reported to the department in the month of February 2008 but no reply received. In DAC meeting held on 12<sup>th</sup>, 13<sup>th</sup> & 14<sup>th</sup> February, 2009, the department was directed to recover the cost of excess quantities than revised estimate from the contractor.

The Department needs to recover the overpaid amount from the contractor.

### **2.12 Overpayment by allowing inadmissible item of work - Rs.0.422 million**

“Preparation of sub grade over top of compacted embankment, under S.I.No. 21–10 of Balochistan CSR 1998 was specifically provided for roadway”, as per technically sanctioned estimates.

The work “Improvement of Road from Noshar to Rindozai Agherg Kanak Road, Quetta” was awarded to a contractor on 22<sup>nd</sup> November, 2006. 3<sup>rd</sup> running bill was passed on 28<sup>th</sup> May, 2007. An item of work “Preparation of sub grade over top of compacted embankment to at least 95 % modified AASHTO maximum dry density with required camber material within a lead of 90 mm” under S.I. No.21-10 of CSR 1998 for 38616.50 Sqm @ Rs12.85 per Sqm amounting to Rs.0.422 million was paid to contractor. The said item was allowed on newly construction road embankment having fair surface, therefore the payment was not justified.

The matter was reported to the department in the month of March 2008 but no reply received. In DAC meeting held on 12<sup>th</sup>, 13<sup>th</sup> & 14<sup>th</sup> February, 2009, the Divisional officer Project Division-I, was directed to affect recovery and intimate further progress to audit.

The Department needs to recover the overpaid amount from contractor.

### **2.13 Unauthorized expenditure on supply of water through tanker - Rs.0.168 million**

“Repairs are of three kinds, such as annual repair which includes white washing, surface painting of roads or water pipes, tanks etc. those which are done after every four years i.e. painting to doors, windows and woodwork are called as quadrennial repairs. Occasional repairs as become necessary from time to time are termed as special repairs”, as per Para 2.41 of B&R Code.

A payment of Rs.0.168 million was made by the Maintenance Division III for supply of water through tankers @ Rs.425/- per trip and expenditure charged against the civil works contract of annual repair and special repair of Bolan Medical College, Quetta. The expenditure did not fall in the categories of any type of repair work. Such expenditure should have been incurred by Principal, Bolan Medical College, Quetta against the regular budget of contingencies.

The matter was reported to the department in the month of July 2008 but no reply received. In DAC meeting held on 12<sup>th</sup>, 13<sup>th</sup> & 14<sup>th</sup> February, 2009, the Divisional Officer contended that the water supply system failed; therefore, water was supplied to the student hostel through tanker on the request of Principal, BMC. The reply was not tenable due to the reason that the expenditure was not part of estimate, which was also not technically sanctioned by the Chief Engineer. The DAC directed the Divisional Officer Maintenance Division-III, to get the expenditure regularized from the Finance department, but no compliance was reported till the finalization of report.

The Department needs to regularize the expenditure from Finance department.

#### **2.14 Loss due to non-realization of sale proceeds of steel - Rs.0.121 million**

“When a voucher exhibit any expenditure from which revenue may be expected to accrue, either dismantling or repairs, a note should be recorded to indicate how the old material removed and if sold when the sales proceeds will be credited to Government”, as per Para 72 of CPWA Code.

An item of work “Redecking / Annual / Special repairs of Complex for Special Education Quetta” was awarded to a contractor in May 2004. The work included dismantling of cement concrete reinforced roof slab, separating steel from cement concrete, etc. Accordingly, four ton steel was separated from cement concrete and stacked at the site. The steel was to be disposed off through auction. On the contrary, the steel was neither auctioned nor reused in construction work resulting in a loss of Rs.0.121 million.

Matter was reported to the department in the month of July 2008, it was replied that approximately four ton steel was obtained from dismantling of roof slab which was handed over to the authority of Complex for Special Education Balochistan, Quetta. The reply was not tenable because the disposal of steel was the responsibility of the Divisional Officer. The matter was placed before the DAC which was held on 12<sup>th</sup>, 13<sup>th</sup> & 14<sup>th</sup> February, 2009, but the Divisional Officer Maintenance Division II, did not provide any record to substantiate the expenditure.

The Department needs to fix the responsibility, besides, recover the cost of steel from the contractor.

## **EDUCATION DEPARTMENT**

The Education department is responsible to provide quality education from primary level to graduation level. Overall management of educational institutions from primary schools to degree colleges, besides, technical and vocational institution in Balochistan, is the function of the Education department.

Funds to the tune of Rs.3,933 million were provided to the department. The accounts of seven offices including three foreign-aided projects were test audited during the year covering budget allocation of Rs.1,040 million. The audit findings amounting to Rs.7.040 million which equals to 1 % of amount audited have been included in this chapter.

### **AUDIT FINDINGS**

#### **3.1 Non-recovery of outstanding dues from cadets - Rs.6.887 million**

“No amount due to government should be left outstanding without sufficient reason, and where any dues appear to be irrecoverable the orders of the competent authority for their adjustment must be sought”, as per Para 28 of GFR Vol-I.

Scrutiny of fee account of Cadet College, Mastung revealed that an amount of Rs.5.641 million and Rs.1.246 million were outstanding against the cadets studying and the relieved cadets respectively. No efforts were made to recover the outstanding dues from them.

The matter was reported to the Cadet College in January 2008. In reply it was intimated that efforts were being made to recover the dues from students and for the purpose; notices have been served to all the parents. The PAO was requested through letter dated 9<sup>th</sup> August, 2008 for convening DAC meeting, but in spite of five reminders dated 16<sup>th</sup> September, 27<sup>th</sup> September, 13<sup>th</sup> October, 24<sup>th</sup> November, 2008 and 3<sup>rd</sup> January, 2009, no meeting was convened till finalization of report.

The College needs to recover the outstanding dues from the cadets.

### **3.2 Unauthorized drawal of winter allowance - Rs.0.153 million**

“Winter Allowance (Charcoal Allowance) is admissible during the Winter Season from 15<sup>th</sup> November to 15<sup>th</sup> March”, as per Government of Balochistan, Finance department’s notification No.FD(R)II-32/95/2841-2961, dated 18<sup>th</sup> October 1995.

Winter allowance was allowed to 153 employees of the Cadet College up to 20 months @ Rs.50 per month in disregard of above order, which resulted in unauthorized payment of Rs.0.153 million.

The matter was reported to the College in January 20 but no response received. PAO was requested through letter dated 9<sup>th</sup> August, 2008 for convening DAC meeting, but in spite of five reminders dated 16<sup>th</sup> September, 27<sup>th</sup> September, 13<sup>th</sup> October, 24<sup>th</sup> November, 2008 and 3<sup>rd</sup> January, 2009, no meeting was convened till finalization of report.

The department needs to recover the amount from the employees concerned.

## **HEALTH DEPARTMENT**

The Health department has been established mainly to provide health facilities by taking measures for prevention and control of infectious and contagious diseases and providing improved treatment facilities for the public health. For this purpose, the department maintains hospitals at District level, Rural Health Centers and Basic Health Unit at Tehsil level.

During the year 2006-07, the accounts of twelve offices were test audited covering budget allocation of Rs.1,170.357 million. This chapter audit findings are amounting to Rs.2.914 million which is equal to 0.025 % of amount audited.

### **AUDIT FINDINGS**

#### **4.1 Unauthorized expenditure on purchase of medicines - Rs.1.499 million**

“Purchases must be made in most economical manner in accordance with definite requirement of public service. Care should be taken not to purchase store much in advance”, as per Para 145 of GFR Vol-I.

An expenditure of Rs.1.499 million was incurred by the Provincial Manager TB Control Program, Quetta, on account of purchase of 4,543 boxes Myrin-P-Fort Tablets @ Rs.330 per box from a firm on 22<sup>nd</sup> June, 2007. Medicines were purchased without NOC from the MSD, Quetta and 2 % call deposit was also not obtained from the firm. Moreover, two members of Purchase Committee i.e.

Director Finance, PHD and Deputy Director, Industries also did not participate in physical verification.

The matter was reported to the department during July 2008 but no reply was received. In the DAC meeting held on 5<sup>th</sup>, 7<sup>th</sup> & 9<sup>th</sup> March, 2009, the department was directed to produce record to audit for verification but no record was produced till finalization of report.

The Department needs to regularize the expenditure from the competent authority.

#### **4.2 Overpayment on account of house rent and conveyance allowance - Rs.0.546 million**

“The House Rent Allowance will not be admissible if the Government Servant has been provided a Government accommodation. Moreover, the conveyance allowance shall not be admissible to Government Servants during the period of earned leave”, as per Finance department order dated 30<sup>th</sup> March 1974 and 23<sup>rd</sup> October, 1977.

The staff of Medical Superintendent, Sandeman Provincial Hospital, Quetta, residing in accommodation provided by the hospital was also drawing house rent allowance. Similarly, the conveyance allowance was also paid to the employees who were on earned leave. This resulted in overpayment of Rs.0.546 million as detailed in annexure 13.



During DAC meeting held on 8<sup>th</sup> to 10<sup>th</sup> April, 2008, it was decided that the recovery would be affected from the officials concerned. However, no further progress was intimated to audit till the finalization of report.

The Department needs to recover the amount overpaid to employees of the hospital.

#### **4.3 Recovery of electricity dues against government employees residing in hospital colony - Rs.0.509 million**

“The Health department, Government of Balochistan has fixed the electricity charges to be recovered from various categories of officers and officials residing in government accommodations and getting electricity from main meter of the hospital at the following rates”, as per Notification dated 1<sup>st</sup> August, 2000.

- |     |                                |                         |
|-----|--------------------------------|-------------------------|
| i   | Officers / Doctors Bungalows   | @ Rs. 1,200/- per month |
| ii  | Clerical / Paramedics quarters | @ Rs. 300/- per month   |
| iii | Class-IV Quarters              | @ Rs. 200/- per month   |

The electricity charges were not deducted from the salaries of employees of Sandeman Provincial Hospital, Quetta, due to which the government sustained a loss of Rs.0.509 million, as detailed below:

<b>(Rs. in million)</b>					
<b>S.No.</b>	<b>Description</b>	<b>No. of Residences</b>	<b>Monthly Electricity charges payable</b>	<b>Period</b>	<b>Amount</b>
1	Doctors Bungalows	10	1,200	12 months	0.144
2	Clerical /Paramedical staff Quarter	62	300	12 months	0.223
3	Class IV Quarter	59	200	12 months	0.142
<b>Total</b>					<b>0.509</b>

The matter was reported to the department during July 2008 but no reply was received. In the DAC meeting held on 5<sup>th</sup>, 7<sup>th</sup> & 9<sup>th</sup> March, 2009 the Para was not discussed due to absence of M.S.

The Department needs to recover the electricity charges from the concerned defaulters.

#### 4.4 Shortage of motorcycles costing Rs.0.360 million

“All material received should be examined, counted when delivery is taken. The officer receiving the stores is required to give a certificate that he has actually received the materials and recorded them in the appropriate stock register”, as per Para 148 of GFR Vol-I.

In the office of Manager, EPI Headquarters, Balochistan, as per dead stock register several motor cycles were issued to District Naseerabad at D.M. Jamali (EPI GAVI Programme) on different occasions, as detailed below. However, the record of concerned district exhibited that, neither the motor cycles were received in those offices nor was any authentic record i.e. Logbook, Surety Bond, Agreement of recipient of motorcycle etc. provided to audit.

**(Rs. in million)**

S.No.	Particulars	Model No.	Registration No.	Amount (Approximately)
1	Suzuki 100 cc	1997	QAJ,4267	0.035
2	Suzuki 100 cc	2004	QAL,4672	0.045
3	Yamaha 100 cc	2001	QAK,2885	0.050
4	Yamaha 100 cc	2001	QAK,2889	0.050
5	Yamaha 100 cc	2005	QAM,4623	0.060
6	Yamaha 100 cc	2005	QAM,4628	0.060
7	Yamaha 100 cc	2006	QAM,9307	0.060
<b>Total</b>				<b>0.360</b>

The matter was reported to the department during July 2008 but no reply was received. In the DAC meeting held on 5<sup>th</sup>, 7<sup>th</sup> & 9<sup>th</sup> March, 2009, the department was directed to produce record for verification but no record was produced till finalization of report.

The Department needs to implement the decision of DAC.

## HOME AND TRIBAL AFFAIRS DEPARTMENT

The Balochistan Home & Tribal Affairs department is responsible to maintain law and order in the province. It also deals with all matters connected with Prisons department, tribal affairs and civilians' security.

Funds to the tune of Rs.1,026 million were allocated to the department, out of which Rs.304 million incurred by eight offices were audited during the year 2006-07. This chapter reflects audit findings amounting to Rs.66.108 million.

### AUDIT FINDINGS

#### **5.1 Non-production of record of establishment charges - Rs.44.709 million**

“The departmental officers are required to provide record for audit inspection and comply with requests for information in as complete a form as possible and with all reasonable expedition”, as per Para 17 of GFR Vol-I read with Auditor General's (Functions, Powers and terms and conditions of service) Ordinance, 2001.

The District Administrative Officers Sibi & Bolan drew an amount of Rs.44.709 million from respective District Treasuries on account of pay & allowances of levies personnel during the year 2005-06 as detail below:

**(Rs. in million)**

<b>S. No.</b>	<b>Name of office</b>	<b>Period</b>	<b>Amount</b>
1	District Administrative Officer, Sibi	1 <sup>st</sup> July 2005 to 30 <sup>th</sup> June 2007	35.823
2	District Administrative Officer, Bolan	1 <sup>st</sup> July 2005 to 30 <sup>th</sup> June 2007	8.886
<b>Total</b>			<b>44.709</b>

Above-mentioned amount was paid to ADOs & Tehsildar for onward disbursement amongst levies personnel. The District Administrative Officers concerned were requested to provide acquaintance rolls, payee's acknowledgments, pay bills and sanctioned strength to verify the pay bills and disbursements, but the records were not provided.

The matter was reported to the department in December 2007 but no reply received. The PAO was requested through letter dated 11<sup>th</sup> August 2008 for convening DAC meeting, but in spite of five reminders dated 13<sup>th</sup> September, 27<sup>th</sup> September, 11<sup>th</sup> October, 19<sup>th</sup> November, 2008, 3<sup>rd</sup> January, 2009, no meeting was convened till finalization of report.

The Department needs to take appropriate action against person(s) at fault and provide all relevant record for verification to audit.

## **5.2 Misappropriation of Government money - Rs.20.545 million**

“All monetary transactions should be entered in the cash book as soon as they occur and attested by the head of office in token of check”, as per Para 77 (ii) of FTR.

While conducting the audit of District Administrative Officer, Khuzdar, list of cheques for the period from 1<sup>st</sup> July 2005 to 30<sup>th</sup> November, 2005, issued in favor of the office concerned by Treasury Office, Khuzdar, revealed that an amount of Rs.20.545 million was drawn from the Government Treasury but not accounted for in the cash book. Office copy of bills and acquaintance rolls were also not

provided to audit. It led to the conclusion that the amount in question was misappropriated.

The matter was reported to the department in December 2007 but no reply received. The PAO was requested through letter dated 11<sup>th</sup> August, 2008 for convening DAC meeting, but in spite of five reminders dated 13<sup>th</sup> September, 27<sup>th</sup> September, 11<sup>th</sup> October, 19<sup>th</sup> November, 2008, 3<sup>rd</sup> January, 2009, no meeting was convened till finalization of report.

The Department needs to recover the misappropriated amount.

### **5.3 Suspected misappropriation - Rs.0.854 million**

“Every officer should realize fully and clearly that he will be held personally responsible for any loss sustained on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on his part or any other government official to the extent to which it may be shown that he contributed to the loss by his own action or negligence”, as per Para 23 of GFR Vol-I.

The District Administrative Officer, Killa Abdullah, drew an amount of Rs.1.024 million on account of Honorarium and hire charges for private pickup during 2003-04, as detailed below:

<b>(Rs. in million)</b>					
<b>S.No.</b>	<b>Date of drawal</b>	<b>Description</b>	<b>Amount Drawn</b>	<b>Amount Disbursed</b>	<b>Undisbursed amount</b>
<b>1</b>	20/01/2004	Hire charges of private Pickup for IS duty FC	0.323	0.170	0.153
<b>2</b>	19/06/2004	Honoraria to levies of Poppy Operation	0.701	-	0.701
<b>Total</b>			<b>1.024</b>	<b>0.170</b>	<b>0.854</b>

Out of Rs.1.024 million, an amount of Rs.0.170 million was disbursed on 20<sup>th</sup> January, 2004, and remaining amount of Rs.0.854 million was shown as closing balance on 30<sup>th</sup> June, 2004. The closing balance was to be carried forward as opening balance on 1st July, 2004. Neither the balance was carried forward as closing balance nor was the same disbursed amongst the persons concerned. It led to the conclusion that the amount of Rs.0.854 million was misappropriated.

The matter was reported to the department in December 2007 but no reply received. PAO was requested through letter dated 11<sup>th</sup> August, 2008 for convening DAC meeting, but in spite of five reminders dated 13<sup>th</sup> September, 27<sup>th</sup> September, 11<sup>th</sup> October, 19<sup>th</sup> November, 2008 and 3<sup>rd</sup> January, 2009, no meeting was convened till finalization of report.

The Department needs to recover the undisbursed amount.

## **IRRIGATION DEPARTMENT**

The Irrigation department has been established mainly to construct and maintain canals, delay action dams, reservoirs for storage of water, perennial water channels and irrigation schemes. Besides, the department is responsible for river and riverbank surveys, implementation of water logging schemes, land reclamation schemes and flood control schemes.

Funds amounting to Rs.3,605 million were allocated to the department, out of which funds of Rs.3,185 million were, audited which is equal to 88 % of the total budget. Two audit observations involving Rs.714.106 million have been included in this chapter.

### **AUDIT FINDINGS**

#### **6.1 Non-realization of outstanding government dues on account of Abiana - Rs.701.935 million**

“The abiana in respect of water supply from irrigation schemes, canals, headwork’s, weirs, tube wells etc. for irrigation purpose as per rates given in the schedule”, according to Balochistan Occupiers Rates Abiana Rules, 1999.

Scrutiny of record revealed that the government is spending huge amounts on extension, improvement and maintenance of Pat Feeder Canal, D.M. Jamali, and Kirther Canal, Usta Muhammad. An income of Rs.487.430 million and Rs.214.505 million was estimated on account of abiana in Pat feeder Canal Division and Kirther Canal Division respectively. These amounts were required to



be recovered from the farmers of the area, but both the divisional authorities failed to recover the government dues from the defaulters.

The matter was reported to the department during July 2008 but no reply was received. In DAC meeting held on 14<sup>th</sup> and 15<sup>th</sup> January, 2009, the Committee directed both the Executive Engineers to take the matter with Board of Revenue regarding recovery of abiana from the defaulters but no progress was reported till finalization of report.

The department needs to take up the matter with the Board of Revenue and ensure recovery.

## **6.2 Overpayment due to allowing higher rate than prescribed rate of premium - Rs.12.171 million**

“P&D department has fixed district wise ceiling on premium on various items of work”, in notification dated 18<sup>th</sup> January, 2005.

<b>Description</b>	<b>Building Works / Structure works and culverts etc.</b>	<b>Black top roads</b>	<b>Earthen Dams</b>	<b>Carpeting</b>
Naseerabad District	17 % above	5 % below	20 % below	10 % above

Kirther Canal Division awarded the work “Lining of various distributaries to the contactors. 4<sup>th</sup> running bill of each contractor was paid in June 2007 vide measurements recorded in MB No.513/L, 515/L, and 516/L. Scrutiny of record revealed that the cost of civil and earth work items was Rs.124.442 million and

Rs.15.663 million respectively, on which 22.50 % to 26 % above premium was allowed to the contractors instead of its correct rate of 17 % above to 5 % below respectively which resulted in overpayment of Rs.12.171 million as calculated in attached annexure 14.

The matter was reported to the department during July 2008 but no reply received. In DAC meeting held on 14<sup>th</sup> and 15<sup>th</sup> January, 2009, the department intimated that the rates were allowed to the contractors after obtaining relaxation of higher premium from P&D department. The Committee directed the Executive Engineer to produce original sanction to audit for verification but no record was produced till finalization of report.

The Department needs to either produce the sanction of the P&D department as pointed out by the XEN and decided by the DAC or make the recovery as pointed out by audit.

## INDUSTRIES DEPARTMENTS

Industrialization of the province in the backdrop of mineral resources is the main function of the department. During the year 2006-07, accounts of Director Industries were audited, results of which have been included in this chapter. The funds provided to Director Industries and expenditure incurred is summarized below:

**(Rs. in million)**

<b>S. No.</b>	<b>Name of authority / body</b>	<b>Financial year</b>	<b>Budget</b>	<b>Expenditure</b>
1	Industries department	2006-07	29.373	28.466

### **AUDIT FINDINGS**

#### **7.1 Excess expenditure over and above estimated cost - Rs.12.677 million**

“A revised estimate must be prepared when the sanctioned estimate is likely to exceed by 5 % except in petty repairs”, as per Para 69 of CPWD Code.

The Director Industries awarded the work “Construction of roads, sewerage, water supply, drainage system network phase III” to a contractor on 20<sup>th</sup> June, 1992. The estimated cost of the work was Rs.6.656 million and time limit was 24 calendar months which ended on 20<sup>th</sup> June, 1994. However, the work could not be completed within stipulated period. Since then it remained in progress till 1<sup>st</sup> August, 2004. The running cost of the work up to 44<sup>th</sup> running bill reached Rs.19.335 million, resulting in excess expenditure of Rs.12.677 million. Despite

such extraordinary cost and time overrun, the concerned authorities could not invoke the clause of liquidated damages as provided in the agreement.

The matter was reported to the department during July 2008 but no reply received. In the DAC meeting held on 14<sup>th</sup> and 15<sup>th</sup> November, 2008, the department intimated that the matter was being probed through an arbitrator appointed by the Senior Civil Judge I, Quetta. The reply was not tenable therefore; the DAC directed the department to provide complete detail of payments to audit for further scrutiny. No compliance of the DAC directives was made till finalization of report.

The Department needs to implement the decision of DAC.

## **7.2 Less realization of ground rent - Rs.2.553 million**

“It is the duty of the departmental controlling officers to see that all sums due to government are regularly and promptly assessed, realized and duly credited in the public account”, as per Para 26 of GFR Vol-I.

In the office of Director Industries, it was observed that the Quetta Industrial Estate was planned to be implemented in four phases. The Industries department charged Rs.2/- per sqm as ground rent up to May 2005. Later on the rate was raised to Rs.3/- per sqm vide notification No.SO-I (1NO) 4-2/2003/3414-23 dated 7<sup>th</sup> June, 2005. On the basis of above-mentioned rates, the probable income of plots of Phase-I and II, allotments of which were completed, for the year 2004-05 to 2006-07 was worked out, which comes to Rs.5.588 million as detailed in

attached annexure 15. Whereas, an income of Rs.3.035 million was actually realized, resulting in shortfall of Rs.2.553 million as detailed below:

**(Rs. in million)**

<b>Year</b>	<b>Revenue recoverable</b>	<b>Actual realized</b>	<b>Shortfall</b>
2004-05	1.440	1.517	(-)0.077
2005-06	2.074	0.781	1.293
2006-07	2.074	0.737	1.337
<b>Total</b>	<b>5.588</b>	<b>3.035</b>	<b>2.553</b>

The matter was reported to the department during July 2008 but no reply received. In the DAC meeting held on 14<sup>th</sup> and 15<sup>th</sup> November, 2008 the department intimated that ground rent was collected on the annual basis from the industrialist units in operation and the shortfall observed by audit was on the plots which were not developed. Moreover, the plots of phase III were allotted to Board of Investment, Government of Pakistan, Islamabad, free of cost for establishing export processing zone at Quetta. The reply was not tenable because it was not substantiated. After detailed discussion, the DAC directed the department to provide details of allotments and recovery position of the ground rent, but no compliance of the DAC directives was made till finalization of report.

The Department needs to implement the decision of DAC and recover the outstanding dues.

### **7.3 Irregular expenditure on account of civil works - Rs.1.200 million**

“Unless in any case, the local administration direct otherwise, payments for all works done shall be made on the basis of measurement recorded in MB”, as per Para 208 of CPWA Code.

The Director Industries, awarded the work “Construction of roads, water supply, sewerage and drainage net work phase-III-I Extension and LPG at GITE” to a contractor. Since then it remained in progress till 1<sup>st</sup> August, 2004. The total value of work for 44<sup>th</sup> running bill was Rs.2.624 million against which a provisional payment of Rs.1.200 million was made to the contractor. The payment was irregular as it was made without detailed measurement in MB. Later on, due to unsatisfactory performance, the contract was cancelled and the contractor was black listed, therefore, the provisional payment was highly irregular.

The matter was reported to the department during July 2008 but no reply received. In the DAC meeting held on 14<sup>th</sup> and 15<sup>th</sup> November, 2008 the department contended that the provisional payment was made on the recommendation of consultant enabling the contractor to rectify the defects observed by the former during physical inspection. The reply was not tenable because the contractor was already black listed by the department and measurement book was not presented in the meeting. The DAC after detailed discussion deferred the Para as the case was already under trial in court.

The Department needs to take corrective measures to resolve the issue at the earliest.

## **POLICE DEPARTMENT**

The Police department has been created mainly for maintenance of law and order in the province.

Since the establishment of district governments under the Local Government Ordinance, 2001, the Police have been separated from Home department.

During 2006-07, funds of Rs.3,017 million were released to the department, out of which audit of expenditure of Rs.406 million was conducted. This chapter reflects audit findings amounting to Rs.16.022 million which is tantamount to 4 % of amount audited.

### **AUDIT FINDINGS**

#### **8.1 Non-deduction of house rent allowance from officers / officials of Police department - Rs.8.481 million**

“All employees not provided with Government accommodation are entitled to house rent allowance at 45 % of the minimum of the relevant Basic Pay Scale. Further, the allowance will not be admissible if the Government Servant has been provided Government accommodation. If Government accommodation is provided, rent will be deducted at the rate of 5 % of the basic pay of the official concerned”, as per Finance department Order N.FD(R)III-40/87/1736-1836, dated 9<sup>th</sup> July, 1987.

Contrary to above, residential accommodation in Police Line, Quetta and quarters in various police stations were provided to Police officers / officials and house rent allowance @ 45 % of their basic pay was also allowed to them. Further,

deduction of rent @ 5 % was also not made from their monthly pay; resultantly government sustained a loss of Rs.8.481 million.

The matter was reported to the department in July 2008 but no reply received. The PAO was requested through letter dated 9<sup>th</sup> August, 2008 for convening DAC meeting, but despite of six reminders dated 16<sup>th</sup> September, 27<sup>th</sup> September, 13<sup>th</sup> October, 24<sup>th</sup> November, 2008, 3<sup>rd</sup> January and 13<sup>th</sup> February, 2009, no meeting was convened till finalization of report.

The Department needs to recover the amount from the defaulters.

## **8.2 Irregular expenditure on account of civil work - Rs.7.074 million**

“All original works and special repairs should be executed through the Public Works department. If a civil department has been authorized to execute the work departmentally, the form & procedure relating to expenditure prescribed for the Public Works department should be observed”, as per Paras 191 and 192 of GFR Vol-I.

In Police department, an expenditure of Rs.7.074 million was incurred on repair and maintenance of buildings as detailed below:

**(Rs. in million)**

<b>S. No.</b>	<b>Name of Department</b>	<b>Name of Work</b>	<b>Amount</b>
1	PPO, Quetta	Repair & renovation of auditorium of Provincial Police Headquarter Quetta	1.531
2	CCPO, Quetta	Repair / Renovation of Police Headquarter Mess, Repair of Conference room and other Miscellaneous repairs	4.412



3	DPO, Gawadar	Repair of Police Thana/Barracks, DPO Office / Residence, DIG Residence	0.870
4	Commandant Balochistan Constabulary, Quetta	Repair of various Police Stations	0.261
<b>Total</b>			<b>7.074</b>

Above-mentioned expenditure was incurred without estimates duly sanctioned by the competent authority. Payments were made without preparing of measurement books. Therefore, expenditure was irregular and remained unverified.

The matter was reported to the department in July 2008, no reply received. The PAO was requested through letter dated 9<sup>th</sup> August 2008 for convening DAC meeting, but in spite of six reminders dated 16<sup>th</sup> September, 27<sup>th</sup> September, 13<sup>th</sup> October, 24<sup>th</sup> November 2008, 3<sup>rd</sup> January and 13<sup>th</sup> February 2009, no meeting was convened till finalization of report.

The Department needs to regularize the expenditure.

### **8.3 Non-recovery of liquidated damages / penalty from supplier - Rs.0.467 million**

“The delivery period is essence of the contract. If the contractor fails to adhere to the delivery schedule and intends to seek extension thereof, it will be the sole discretion of the purchaser either to grant or refuse extension in delivery period. However, the extension in delivery period if granted shall be subject to liquidated damages @ 2 % per month or part thereof”, as per Clause h of contract agreement.

In the office of the Provincial Police Officer, the supply of vehicles was awarded to a firm. According to the contract agreement, due date of delivery of vehicle was 9<sup>th</sup> February, 2006. The scrutiny of accounts revealed that the firm could not supply the vehicles within stipulated time. Therefore, the firm was liable to pay liquidated damages @ 2 % per month. But, no liquidated damages were recovered as detailed below:

**(Rs. in million)**

<b>Contract Price</b>	<b>Due date of delivery</b>	<b>Actual date of delivery</b>	<b>Delay in delivery</b>	<b>Penalty for late delivery</b>
13.760	9.2.2006	31.3.2006	51 days	0.467

The matter was reported to the department in July 2008 but no reply received. PAO was requested through letter dated 9<sup>th</sup> August, 2008 for convening DAC meeting, but in spite of six reminders dated 16<sup>th</sup> September, 27<sup>th</sup> September, 13<sup>th</sup> October, 24<sup>th</sup> November, 2008, 3<sup>rd</sup> January and 13<sup>th</sup> February, 2009, no meeting was convened till finalization of report.

The Department needs to recover liquidated damages from the firm.

## **Comments on Internal Controls**

Internal control system is the most effective tool of management for good governance. It facilitates to take timely remedial measures in order to check the deviations from prescribed rules and regulations and prevents malpractices. Audit of the departments and subordinate offices, conducted during the year, and indicated that effective internal controls were missing in most of the organizations and government departments. Recurrence of similar irregularities pointed out by statutory audit year after year is a reflection upon the level of effectiveness of internal control.

Due to absence of proper internal control system in the provincial government departments and organizations, certain macro issues have emerged, such as

- retention of government funds outside the treasury,
- non-recovery of government dues,
- procurement of stores in non-transparent manner,
- loss to public exchequer due to acts of omission and commission,
- non-observance of prescribed procedures in execution of development schemes,
- repair works and non-accountal of transactions in the books of accounts.

Statutory audit exercises a test check of the total transactions. The irregularities pointed out by Audit, being not exhaustive, are illustrative in nature. Findings of the audit report are results of test check, showing irregularities amounting to Rs.2107.543 million. It is obvious that total volume of the irregularities would be much higher, if the exhaustive audit would have been carried out. The executive authorities can learn from the points raised by statutory audit. They are supposed

to scrutinize remaining cases through internal audit and take remedial measures. There is a need to establish an independent internal audit system in each department directly reporting to the Principal Accounting Officer to avoid recurrence of same irregularities.

The concerned Principal Accounting Officers of auditee organizations are advised to:

1. establish a mechanism of management controls with built-in checks and balances to prevent unauthorized practices and unauthorized utilization of public assets,
2. ensure proper maintenance of records, and
3. arrange proper facilities for appropriate training of the staff dealing with financial matters on regular basis.

**Annexure – 1**

**1.2 Unauthorized payment due to allowing inadmissible items of work -  
Rs.28.937 million**

**(Rs. in million)**

<b>S. No.</b>	<b>Name of work</b>	<b>Description</b>	<b>Unit</b>	<b>Qty Paid</b>	<b>Rate (Rs.)</b>	<b>Amount</b>
1	Repair & Extension of Breaking Water at Fish Landing Jetty Gaddani	Supplying & Laying Geo Textile	Sqm	4,872	750	3.654
2		Supply & Filling of quarry run Granular material	Cum	1,909	500	0.955
3		Supplying & Laying of quarry stone	Cum	17,189	1,150	19.767
4		Providing & Laying Cement Concrete 1:3:6	Cum	252	5,680	1.431
5	Construction of Fish Landing Jetty and Onshore Facilities at Damb, Lasbela	Allowance for third party insurance	LS	1	1.000	1.000
6		Provide Labor / Office Workers	Months	0.5	0.019	0.010
7		Services of quantified hydrographic staff	Each	1	0.510	0.510
8		Establishment of Tidal Bench Mark	Each	1	0.050	0.050
9	Construction of Fish Landing Jetty and Onshore Facilities at Jewani, Gawadar	Allowance for third party insurance	LS	1	1.000	1.000
10		Services of quantified hydrographic staff	Each	1	0.510	0.510
11		Establishment of Tidal Bench Mark	Each	1	0.050	0.050
<b>Total</b>						<b>28.937</b>

Annexure – 2

**1.4 Unauthorized expenditure - Rs.20.590 million**

**(Rs. in million)**

S. No.	Name of Scheme	Estimated Cost	Expenditure				
			2003-04	2004-05	2005-06	2006-07	Total
1	Const: of Drainage System in Bella City	8.161	-	-	-	6.378	6.378
2	Const: / Digging of 100 Open Surface Wells	15.612	-	-	-	10.922	10.922
3	Const / Digging of 7 Open Surface Wells	0.612	-	-	-	0.562	0.562
4	Const: of Two Class Rooms at Rasmalan	1.200	-	-	-	0.379	0.379
5	Const: of Community Hall (C / H) at Goth Sardar Ghulam Muhammad Oraki	1.000	-	-	-	0.181	0.181
6	Const: of C / H at Sardar Mohammad Hassan Porahi	1.000	-	-	-	0.643	0.643
7	Const: of C / H at Awara Lasbela	1.000	-	-	-	0.764	0.764
8	Const: of C / H at Wali Muhammad Shahwook	1.000	-	-	-	0.761	0.761
<b>Total</b>			-	-	-	<b>20.59</b>	<b>20.59</b>

**Annexure - 3**

**1.6 Overpayment due to allowing higher rates than provided in PC-I -  
Rs.19.365 million**

**(Rs. in million)**

<b>S. No.</b>	<b>Description</b>	<b>Unit</b>	<b>Qty</b>	<b>Rate Paid</b>	<b>Rate Payable</b>	<b>Diff.</b>	<b>Over Payment</b>
1	Provide & Lay 1:2:4 Cement Concrete precast blocks NSR	Cum	3250	0.092	0.052	0.040	13.000
2	Allowance for Insurance of Work	LS	1	0.950	0.300	0.650	0.650
3	Allowance for Insurance of Construction Plant	LS	1	0.800	0.100	0.700	0.700
4	Provide 2 no. motor vehicles for engineer & staff	LS	1	3.000	1.250	1.750	1.750
5	Maintain 2 no. motor vehicles	Months	0.5	0.042	0.021	0.021	0.010
6	Allowance for Insurance of Work	LS	Job	0.900	0.300	0.600	0.600
7	Allowance for Insurance of Construction Plant	LS	Job	0.775	0.100	0.675	0.675
8	Provide Engineer's Office	LS	15 %	0.420	0.180	0.180	0.180
9	Maintain Engineer's Office	Week	2	0.015	0.003	0.012	0.025
10	Provide 2 no. motor vehicles for engineer & staff	LS	1	2.990	1.250	1.740	1.740
11	Maintain 2 no. motor vehicles	Months	0.5	0.042	0.021	0.021	0.010
12	Allowance for Engineer's telephone	LS	5 %	0.015	0.02	0.013	0.013
13	Allowance for Top Management, supervision & administration	Week	2	0.010	0.004	0.006	0.012
<b>Total</b>							<b>19.365</b>

**Annexure – 4**

**1.7 Non-maintenance of Dead Stock Account - Rs.2.052 million**

S. No.	Cheque No. & Date	Name of Firm	Bill No. & Date	Description	Unit	Qty	Rate	Cost	Total Amount	
1	8775008 dt; 13.08.04	M/s Insaf Carpet & Cloth Quetta	441 dt; 01.08.04	Synthetic Carpet	Ft	500	50	25,000	50,000	
			500 dt; 07.08.04	Synthetic Carpet	Ft	500	50	25,000		
2	295160 dt; 15.01.05	M/s Muhammad Adeem Khan General Order Supplier Regal Trade Square Karachi	Nil dt; 14.11.04	of Computer – IV	Set	1	25,000	25,000	48,000	
			Nil dt; 14.11.04	of HP Printer-1200	No	1	20,000	20,000		
				of HP Scanner	No	1	3,000	3,000		
3	497264 dt; 05.12.05	M/s Soft Line system Karachi	47, dt 28.11.05	of Computer – IV	Set	1	24,810	24,810	49,510	
				of HP Scanner	No	1	3,800	3,800		
				Computer Table	No	1	2,700	2,700		
4	493343 dt; 14.09.05	M/s Ali Bhoj & Sons Quetta	1628 dt; 10.09.05	of tyres with tubes	No	2	9,775	19,550	39,100	
			1629 dt; 10.09.05	of tyres with tubes	No	2	9,775	19,550		
5	298906 dt; 24.03.05	M/s Superior Furniture Karachi	Nil dt; 09.02.05	Table with side Rack 3 x 5	No	1	6,500	6,500	107,800	
				Table 2 x 3-1/2	No	1	7,000	7,000		
				Steel File Cabinet	No	1	4,000	4,000		
		M/s Khan Furniture Mart Karachi	Nil dt; 14.03.05	Table 2 x 3-1/2	No	6	3,900	23,400		
				Nil dt; 15.03.05	Plastic Chairs	No	24	550		13,200
					wooden Chairs	No	6	1,500		9,000
Nil dt; 16.03.05	Table with side Rack 3 x 5	No	2	8,400	16,800					



**Annexure - 4**

**1.7 Non-maintenance of Dead Stock Account - Rs.2.052 million**

S. No.	Cheque No. & Date	Name of Firm	Bill No. & Date	Description	Unit	Qty	Rate	Cost	Total Amount
				Pillow	No	6	450	2,700	
				Plastic Tables	No	4	750	3,000	
			Nil dt; 17.03.05	Wooden Bed 6 x 3-1/2	No	3	7,400	22,200	
6	919920 dt; 18.03.06	M/s Muhammad Adeem Khan General Order Supplier Regal Trade Square Karachi	Nil dt; 03.01.06	Dining Table with 6 Chairs	No	1	24,000	24,000	300,000
			Nil dt; 07.01.06	wooden Chairs	No	15	1,500	22,500	
			Nil dt; 11.01.06	Sofa set 3 Pieces	No	1	19,600	19,600	
			Nil dt; 13.01.06	Sky Flame Oven	No	1	16,000	16,000	
			Nil dt; 14.01.06	Double Bed with Mattress	No	1	25,000	25,000	
			Nil dt; 17.01.06	Computer P-IV	No	1	24,900	24,900	
			Nil dt; 21.01.06	Digital Scale 2000 Kg	No	1	25,000	25,000	
			Nil dt; 25.01.06	Digital Scale 2000 Kg	No	1	25,000	25,000	
			Nil dt; 25.01.06	Table with side Rack 3 x 5	No	1	20,000	20,000	
				Revolving Chair	No	2	2,500	5,000	
			Nil dt; 05.02.06	PEL Fridge	No	1	16,000	16,000	
				PEL room Fridge	No	1	9,000	9,000	
			Nil dt; 09.02.06	Gree 1 ton Split AC	No	1	24,000	24,000	
			Nil dt; 12.02.06	Single Sofa Set	No	1	20,000	20,000	
			Nil dt; 15.02.06	Gree 1 Ton Split AC	No	1	24,000	24,000	

**Annexure - 4**

**1.7 Non-maintenance of Dead Stock Account - Rs.2.052 million**

S. No.	Cheque No. & Date	Name of Firm	Bill No. & Date	Description	Unit	Qty	Rate	Cost	Total Amount
7	4487652 dt; 17.05.06	M/s Muhammad Adeem Khan General Order Supplier Regal Trade Square Karachi	Nil dt; 10.03.06	Power Stabilizer (P-5000)	No	1	9,000	9,000	285,800
				Stabetic Stabilizer	No	1	5,000	5,000	
				Electric Jug	No	1	1,300	1,300	
				Standing Fan	No	1	7500	7,500	
				Exhaust Fan	No	1	1200	1,200	
			Nil dt; 11.03.06	Dawlance Split AC 1-1/2 Ton	No	1	25,000	25,000	
			Nil dt; 12.03.06	LG UPS with ABS Battery	No	1	25,000	24,850	
			Nil dt; 15.03.06	Office chairs Wooden	No	6	1,100	6,600	
				Kitchen Cabinet Wooden	No	1	2,600	2,600	
			Nil dt; 15.03.06	File Cabinet Wooden	No	1	9,500	9,500	
				Table Formica 3 x 5	No	1	8300	8,300	
				Revolving Chair	No	1	3300	3,300	
			Nil dt; 15.03.06	Table Formica 2-1/2 x 4	No	1	3800	3,800	
				Haier 1 ton Split Ac	No	1	24,000	24,000	
			Nil dt; 20.03.06	Car AC Complete Set	No	1	24,800	24,800	
			Nil dt; 27.03.06	1 Ton Split AC	No	1	23,000	23,000	
			Nil dt; 02.04.06	Gree 1 Ton Split AC	No	1	23,500	23,500	
			Nil dt; 05.04.06	Hailer 1 ton Split Ac	No	1	24,000	24,000	
			Nil dt; 06.04.06	Gree 1 Ton Split AC	No	1	23,000	23,000	
			Nil dt; 07.04.06						

**Annexure - 4**

**1.7 Non-maintenance of Dead Stock Account - Rs.2.052 million**

S. No.	Cheque No. & Date	Name of Firm	Bill No. & Date	Description	Unit	Qty	Rate	Cost	Total Amount
			Nil dt; 15.04.06	Water Dispenser	No	1	21,000	25,000	
			Nil dt; 16.04.06	National Iron	No	2	1,775	3,550	
				Iron Stand	No	2	3,500	7,000	
8	117095 dt; 14.08.06	M/s Muhammad Adeem Khan General Order Supplier Regal Trade Square Karachi	Nil dt; 16.05.06		No	1	25,000	25,000	410,000
			Nil dt; 15.06.06	Executive Table 6 x 3-1/2with Rack	No	1	25,000	25,000	
			Nil dt; 15.06.06	Executive Table with Rack	No	1	25,000	25,000	
			Nil dt; 15.06.06	Executive Table with Rack	No	1	25,000	25,000	
			Nil dt; 18.06.06	File Cabinet	No	2	6,000	12,000	
				Executive Chairs Revolving Imported	No	2	6,500	13,000	
			Nil dt; 20.06.06	Executive Table 6 x 3-1/2with Rack	No	1	25,000	25,000	
			Nil dt; 23.06.06	Bed Side Rack 3-1/2 x 6/5	No	2	12,500	25,000	
			Nil dt; 26.06.06	Visiting Chairs Imported	No	4	6,200	24,800	
			Nil dt; 27.06.06	Executive Table 6 x 3-1/2with Rack	No	1	25,000	25,000	
			Nil dt; 28.06.06	Dawlance Split AC 1 Ton	No	1	24,000	24,000	
			Nil dt; 04.07.06	File Cabinet	No	2	9,000	18,000	

**Annexure - 4**

**1.7 Non-maintenance of Dead Stock Account - Rs.2.052 million**

S. No.	Cheque No. & Date	Name of Firm	Bill No. & Date	Description	Unit	Qty	Rate	Cost	Total Amount
				Transportation charges	No	-		4,500	
			Nil dt; 10.07.06	Dressing Table	No	1	6,500	6,500	
				4 Piece Sofa Set with 3 tables	No	1	12,000	12,000	
				Centre Piece Carpet	No	1	6,400	6,400	
			Nil dt; 15.07.06	Dawlance Split AC 1 Ton	No	1	24,000	24,000	
			Nil dt; 15.07.06	Executive Chairs Imported	No	2	7,500	15,000	
			Nil dt; 15.07.06	Double Bes Pak Wood	No	1	25,000	25,000	
			Nil dt; 18.07.06	Pak wood 2 door Almirah	No	1	17,000	17,000	
				Dressing Table	No	1	8,000	8,000	
Nil dt; 18.07.06	Visiting Chairs Imported	No	4	6,200	24,800				
9	121828 dt; 29.09.06	M/s curtain Café Karachi	931 dt; 25.05.06	Blinds	Sft	408.33	60	24,500	74,350
			932 dt; 28.05.06	Blinds	Sft	415	60	24,900	
			933 dt; 30.05.06	Blinds		415.83	60	24,950	
10	080905 dt; 25.11.07	M/s Muhammad Adeem Khan General Order Supplier Regal Trade Square Karachi	Nil dt; 12.08.06	Visiting Chairs Imported	No	4	6200	24,800	241,000
			Nil dt; 12.08.06	Wooden Tele/Counter with glass	No	1	15200	15,200	
			Nil dt; 02.09.06	Sofa set Single	No	6	2500	15,000	
			Nil dt; 02.09.06	Sofa set Single	No	10	2500	25,000	

**Annexure - 4**

**1.7 Non-maintenance of Dead Stock Account - Rs.2.052 million**

S. No.	Cheque No. & Date	Name of Firm	Bill No. & Date	Description	Unit	Qty	Rate	Cost	Total Amount
				Small Wooden Table	No	1	4500	4,500	
			Nil dt; 08.09.06	Pan fax Fax Machine 342-Cx	No	1	15000	15,000	
				Geyser	No	1	7000	7,000	
			Nil dt; 09.09.06	HP-1020 Printer	No	1	22000	22,000	
				256 MB Flash Drive	No	1	1500	1,500	
			Nil dt; 15.09.06	Pan fax Fax Machine 342-Cx	No	1	15000	15,000	
				15" LG Monitor	No	1	5500	5,500	
			Nil dt; 02.10.06	Panasonic Telephone Set	No	8	1450	11,600	
				Battery Back Up	No	1	4400	4,400	
				Cable x 900	No	1	9000		
			Nil dt; 04.10.06	Tele/Exchange KX-TES824	No	1	25000	25,000	
			Nil dt; 04.10.06	Hp-1320 Toner	No	1	3900	3,900	
			Nil dt; 14.10.06	Hp-1020 Toner	No	1	3800	3,800	
			Nil dt; 04.11.06	Complete Set Sanden Car AC	No	1	24800	24,800	
11	080909 dt; 15.12.06	M/s Soft Line system Karachi	369 dt; 05.07.06	512 DDR Kingston	No	1	4200	4,200	201,825
				HP-1020 Teflon	No	1	3000	3,000	
			371 dt; 18.07.06	HP-1320 LaserJet	No	1	23000	23,000	
			355 dt; 19.07.06	15" LG Monitor	No	1	5500	5,500	
				Benq 1200 Scanner	No	1	3000	3,000	
			344 dt; 15.08.06	Computer P-IV	No	1	20725	20,725	
	375 dt; 14.10.06	Power Stabilizer (P-5000)	No	2	8100	16,200			

**Annexure - 4**

**1.7 Non-maintenance of Dead Stock Account - Rs.2.052 million**

S. No.	Cheque No. & Date	Name of Firm	Bill No. & Date	Description	Unit	Qty	Rate	Cost	Total Amount
				Stabetic Stabilizer	No	1	4500	4,500	
			363 dt; 15.10.06	Power Stabilizer (P-5000)	No	3	8100	24,300	
			347 dt; 02.11.06	Geysier 15 gallon	No	1	9450	9,450	
			361 dt; 10.11.06	Sony Cyber Shot Camera	No	1	25000	25,000	
			358 dt; 10.11.06	Memory Stock 1 GB	No	1	8000	8,000	
			368 dt; 25.11.06	HP Fax & Copier	No	1	15000	15,000	
			367 dt; 25.11.06	HP Fax & Copier	No	1	15000	15,000	
			351 dt; 02.12.06	Wiring Charges for exchange	Job	1	24950	24,950	
12	80961 dt; 12.03.07	M/s Muhammad Adeem Khan General Order Supplier Regal Trade Square Karachi	Nil dt; 03.02.07	Room Fridge PEL	No	1	11000	11,000	148,400
				Sony Mega Flat TV 21"	No	1	13500	13,500	
			Nil dt; 04.02.07	Orient Split AC 1.5 Ton	No	1	25000	25,000	
			Nil dt; 04.02.07	Orient Split AC 1.5 Ton	No	1	25000	25,000	
			Nil dt; 04.02.07	Orient Split AC 1.5 Ton	No	1	25000	25,000	
			Nil dt; 05.02.07	PEL Fridge	No	1	18900	18,900	
				TV Trolley	No	1	3700	3,700	
			Nil dt; 10.02.07	Singer Micro Wave Oven	No	1	6500	6,500	
			Nil dt; 13.02.07	Center Table	No	6	3300	19,800	

**Annexure - 4****1.7 Non-maintenance of Dead Stock Account - Rs.2.052 million**

<b>S. No.</b>	<b>Cheque No. &amp; Date</b>	<b>Name of Firm</b>	<b>Bill No. &amp; Date</b>	<b>Description</b>	<b>Unit</b>	<b>Qty</b>	<b>Rate</b>	<b>Cost</b>	<b>Total Amount</b>
13	80960 dt; 12.03.07	M/s Selection Curtain Karachi	98 dt; 12.03.07	Vertical Blinds Pieces	No	9	2410	21,690	21,690
14	80963 dt; 12.03.07	M/s Soft Line system Karachi	Nil dt; 12.03.07	Lap Top HP- NX-6310	No	1	75000	75,000	75,000
<b>Total</b>									<b>2,052,475</b>

**Annexure - 5**

**1.10 Unauthorized release of security deposits - Rs.98.341 million**

**(Rs. in million)**

<b>Release of Security Deposits 2006-07</b>				
<b>S.No.</b>	<b>Cheque No. &amp; date</b>	<b>Name of work</b>	<b>Name of contractor</b>	<b>Amount</b>
1	462101 05 <sup>th</sup> June 07	Christian Colony Quetta	M/s G2K Constt. Co	0.448
2	462102 20 <sup>th</sup> June 07	Renovation Principal Secretariat	M/s Rashid Khan and Co	0.064
3	462103 26 <sup>th</sup> June 07	Garcap Cross to Hoshab	Agha Gul and Co	7.386
4	462104 26 <sup>th</sup> June 07	Turbat Pasni Road	-do-	15.694
5	462105 26 <sup>th</sup> June 07	Mehmood Nika Pati	MN Constt. Co	12.483
6	462106 26 <sup>th</sup> June 07	Khwaja Imran Chromites Mining	-do-	18.393
7	462107 26 <sup>th</sup> June 07	Road Malazai	GSP Associates	25.873
8	462108 29 <sup>th</sup> June 07	Toda Safarzai Killa Saifullah	-do-	17.00
9	462109 30 <sup>th</sup> June 07	Marium Gatoi Basool Zhob	Khan Constt. Co	1.00
<b>Total</b>				<b>98.341</b>



**Annexure - 6****1.15 Irregular expenditure on hiring of consultant services - Rs.20.602 million****Statement showing the detail of Survey Charges paid during 2006-07**

<b>S. No.</b>	<b>Vr. No.</b>	<b>Particulars</b>	<b>Cheque No.</b>	<b>Date</b>	<b>Amount</b>	<b>Month</b>
1	1	Survey charges paid to M/s Qureshi Associate	709497	7/7/2006	463,219	07-2006
2	9	Survey charges paid to M/s Arch Vision	809655	7/11/2006	657,050	07-2006
3	12	Survey charges paid to M/s National Engineering	809659	7/12/2006	1,351,126	07-2006
4	45	Survey Charges paid to M/s Amaskey	809694	7/28/2006	416,876	07-2006
5	62	Survey Charges paid to M/s Amaskey	810058	8/5/2006	632,160	08-2006
6	90	Survey Charges paid to M/s RCC Consultants	810090	10/5/2006	1,453,064	10-2006
7	104	Survey Charges paid to M/s Amaskey	811255	10/14/2006	390,484	10-2006
8	116	Survey Charges paid to M/s Amaskey	811270	10/18/2006	174,559	10-2006
9	118	Survey charges paid to M/s Qureshi Associate	811275	10/19/2006	348,401	10-2006
10	121	Survey Charges paid to M/s Amaskey	811278	10/19/2006	417,946	10-2006
11	140	Survey Charges paid to M/s Amaskey	811297	11/20/2006	216,492	11-2006
12	162	Survey charges paid to M/s Arch Vision	814471	12/1/2006	514,003	12-2006
13	177	Survey Charges paid to M/s Rock Associate	814486	12/7/2006	385,000	12-2006
14	197	Survey charges paid to M/s Qureshi Associate	262289	12/25/2006	484,000	12-2006
15	198	Survey Charges paid to M/s Amaskey	262290	12/25/2006	397,555	12-2006

**1.15 Irregular expenditure on hiring of consultant services - Rs.20.602 million**

**Statement showing the detail of Survey Charges paid during 2006-07**

<b>S. No.</b>	<b>Vr. No.</b>	<b>Particulars</b>	<b>Cheque No.</b>	<b>Date</b>	<b>Amount</b>	<b>Month</b>
16	251	Survey charges paid to M/s Qureshi Associate	635859	2/10/2007	435,099	02-2007
17	255	Survey Charges paid to M/s Amaskey	635864	2/10/2007	638,208	02-2007
18	271	Survey charges paid to M/s Arch Vision	635884	2/14/2007	401,364	02-2007
19	317	Survey Charges paid to M/s Amaskey	649831	3/30/2007	766,228	03-2007
20	369	Survey charges paid to M/s Arch Vision	649882	4/30/2007	836,941	04-2007
21	387	Survey charges paid to M/s National Engineering	649899	5/5/2007	921,040	05-2007
22	399	Survey Charges paid to M/s Amaskey	968752	5/9/2007	439,601	05-2007
23	426	Survey Charges paid to M/s Rock Associate	968779	5/15/2007	1,199,040	05-2007

**Annexure - 6****1.15 Irregular expenditure on hiring of consultant services - Rs.20.602 million****Statement showing the detail of Survey Charges paid during 2006-07**

<b>S. No.</b>	<b>Vr. No.</b>	<b>Particulars</b>	<b>Cheque No.</b>	<b>Date</b>	<b>Amount</b>	<b>Month</b>
24	429	Survey charges paid to M/s Arch Vision	968782	5/22/2007	409,013	05-2007
25	438	Survey charges paid to M/s Arch Vision	968791	5/25/2007	1,067,993	05-2007
26	440	Survey charges paid to M/s Arch Vision	968794	5/25/2007	528,000	05-2007
27	489	Survey charges paid to M/s Arch Vision	968846	6/6/2007	249,806	06-2007
28	502	Survey Charges paid to M/s Amaskey	162809	6/12/2007	586,522	06-2007
29	506	Survey Charges paid to M/s RCC Consultants	162813	6/13/2007	1,394,941	06-2007
30	520	Survey charges paid to M/s Arch Vision	162829	6/23/2007	747,235	06-2007
31	536	Survey charges paid to M/s Arch Vision	162845	6/27/2007	655,862	06-2007
32	538	Survey Charges paid to M/s Amaskey	162847	6/27/2007	766,228	06-2007
33	555	Survey Charges paid to M/s Rock Associate	162864	6/29/2007	257,280	06-2007
<b>Total</b>					<b>20,602,336</b>	

## Annexure - 7

## 1.39 Unauthorized payment of computer allowance - Rs.1.287 million

## DETAIL OF COMPUTER ALLOWANCE (Teaching Staff)

S #	NAME	Designation	P/Month	Year
1	Muhammad Usman	Asso: Professor	1500	18000
2	Attaullah Khidrani	Lecturer	1500	18000
3	Syed Arif Ali Shah	Lecturer	1500	18000
4	Adnan Tariq	Associate Prof	1500	18000
5	Fazli Rehman	Asstt Prof	1500	18000
6	Mohammad Mushtaq	Asstt Prof	1500	18000
7	Bashir Ahmed	Asstt Prof	1500	18000
8	Javed Iqbal	Asstt Prof	1500	18000
9	Abdullah Mengal	Lecturer	1500	18000
10	Mohammad Ishaque	Lecturer	1500	18000
11	Raza Mohammad	Lecturer	1500	18000
12	Nafees Ahmed	Lecturer	1500	18000
13	Liaquat Ali	Lecturer	1500	18000
14	Ali Anwar	Lecturer	750	9000
15	Jamil Zehri	Lecturer	1500	18000
16	Syed Mushtaq Shah	Lecturer	1500	18000
17	M. Faheem	Lecturer	1500	18000
18	M. Arif	Lecturer	1500	18000
19	S. Ali Raza Shah	Lecturer	1500	18000
20	Mohammad Naeem	Lecturer	1500	18000
21	H.M. Zahid Tunio	Lecturer	1500	18000
22	Shabbar Naqvi	Lecturer	1500	18000
23	Sohrab Khan	Lecturer	1500	4500
24	Mohammad Wasiq	Lecturer	1500	4500
25	Mohammad Yaqoob	Lecturer	1500	4500
26	Abdul Shakoor	Asstt Prof	1500	18000
27	M. Gul Mohamamd	Lecturer	1500	18000
28	Ejaz Ahmed	Lecturer	1500	18000
29	Farhat Adnan	Lecturer	1500	18000
30	Salah uddin	Lecturer	1500	18000
31	Sharfuddin	Lecturer	1500	18000
32	Zulfiqar	Lecturer	1500	4500
33	Zakir Hussain	Lecturer	1500	18000
34	Hameedullah	Lab Lecturer	1500	18000
35	Mohd Naeem Chodri	Lab Lecturer	1500	18000
36	Abdul Khaliq Kurd	Asstt Professor	1500	18000
37	Naeemuddin	A. Professor	1500	18000
38	Noor Ahmed Rind	Lecturer	1500	18000
39	Sikandar Ali Abbasi	Asstt: Professor	1500	18000
40	Saeed Ahmed Sheikh	Asstt: Professor	1500	18000
41	Barkat Ali Sheikh	Associate Prof:	1500	18000
42	Attaullah	Lecturer	1500	18000
43	Noor Hussain	Lecturer	1500	18000
44	Mohammad Naeem	Lecturer	1500	18000
45	Abid Jamal	Lecturer	1500	18000
46	M. Abid Mengal	Lecturer	1500	18000
47	M. Saleem Qureshi	Lecturer	1500	18000

**Annexure-7****1.39 Unauthorized payment of computer allowance – Rs.1.287 million**

48	Faizullah Mahr	Lecturer	1500	18000
49	Zahoor Ahmed	Lecturer	1500	18000
50	Mohammad Umer	Lecturer	1500	18000
51	Wazir Mohammad	Lecturer	1500	18000
52	Syed Khan	Lab: Instructor	750	9000
53	Dur Mohammad	Lecturer	1500	18000
54	A. Razaque Langue	Lecturer	1500	18000
55	Raza Haider	Lecturer	1500	18000
<b>Total</b>			<b>81,000</b>	<b>918,000</b>

**Annexure - 8**

**1.41 Shortage of equipment, furniture etc. - Rs.15.881 million**

**Statement showing the detail of missing items found during  
physical verification of BUITEMS**

<b>S. No.</b>	<b>Item</b>	<b>Qty Available</b>	<b>Actual Purchase</b>	<b>Difference</b>	<b>Rate</b>	<b>Total</b>
1	2 Port E1 Channel Card (G703)	-	1	1	59,000	59,000
2	3Com Switch 8 Port	2	4	2	2,200	4,400
3	Almirah Wooden / Steel	35	43	8	12,000	96,000
4	Amplifier	-	2	2	-	30,700
5	Baylan Switch 8 Port	2	3	1	5,500	5,500
6	Bed Side Tables (Steel Frame)	-	61	61	2,250	137,250
7	Center Table 2X2 Top Glass	3	4	1	1,800	1,800
8	Center Table Set 3 Piece	2	11	9	5,000	45,000
9	Class Room Chairs with One Arm Steel Frame	1,338	1,500	162	1,553	251,586
10	Compaq 3.2 GHz CPU	84	103	19	56,400	1,071,600
11	Computer Chair Cushioned	112	164	52	2,500	130,000
12	Computer P-IV (Unbranded)	36	51	15	43,700	655,500
13	Computer Table Steel Frame	-	1	1	4,000	4,000
14	Conference Chairs Revolving Seat & Back Cushioned Hydraulic Base	21	77	56	5,000	280,000
15	Cooking Range 5 Burner	-	2	2	10,850	21,700

**1.41 Shortage of equipment, furniture etc. - Rs.15.881 million**

**Statement showing the detail of missing items found during  
physical verification of BUITEMS**

S. No.	Item	Qty Available	Actual Purchase	Difference	Rate	Total
16	Dell TM Optiplex 170 /177L Intel Pentium-IV 3.08 GHZ 512 MB Ram 80 GB Hard Disk	175	200	25	54,500	1,362,500
17	Digital Photocopier	-	1	1	130,000	130,000
18	Dining Chairs Seat Cushioned	6	30	24	1,850	44,400
19	Dining Table	2	3	1	10,000	10,000
20	Dining Table (Small)	-	6	6	9,500	57,000
21	Dlink 8 Port	1	2	1	1,300	1,300
22	Drawing Board 800X1400mm Italy	19	26	7	7,830	54,810
23	Dual Power Supply	-	1	1	201,250	201,250
24	Faculty Tables + Printer Tables	119	154	35	7,500	262,500
25	File Cabinet Steel 4 Shelves	14	16	2	4,200	8,400
26	File Rack	11	16	5	4,850	24,250
27	Foam for Beds	-	157	157	1,840	288,880
28	Hot Air Oven	-	1	1	39,990	39,990
29	HP 2400 Scanner	3	5	2	4,500	9,000
30	HP 3500 Scanner	1	2	1	8,500	8,500
31	HP Deskjet 3420	-	1	1	4,100	4,100
32	HP Laser Jet 1200	1	5	4	22,000	88,000

**1.41 Shortage of equipment, furniture etc. - Rs.15.881 million****Statement showing the detail of missing items found during  
physical verification of BUITEMS**

<b>S. No.</b>	<b>Item</b>	<b>Qty Available</b>	<b>Actual Purchase</b>	<b>Difference</b>	<b>Rate</b>	<b>Total</b>
33	HP Laser Jet 1300	19	28	9	19,000	171,000
34	HP Laser Jet 1320	21	32	11	19,890	218,790
35	HP LaserJet 2200	1	3	2	71,500	143,000
36	Konica Minolta Digital Copiers Model 7235 35 CPM	4	5	1	246,900	246,900
37	Laminar Flow Cabinet	-	1	1	170,000	170,000
38	Laptop Acer P-IV Extensa 5200	1	2	1	-	-
39	Laptop Toshiba 2430	1	2	1	125,000	125,000
40	LCD Monitor	-	2	2	16,750	33,500
41	Metabolic Cage	-	1	1	98,000	98,000
42	Microscope Triangular	-	1	1	341,550	341,550
43	Mounting Kits with Cables	-	8	8	8,000	64,000
44	Multimedia Projector	-	18	18	160,000	2,880,000
45	Multimedia Projector 3M S40	8	11	3	110,500	331,500
46	Office Chair Cane	-	26	26	750	19,500
47	Overhead Projector 3M	2	3	1	20,700	20,700
48	Photocopier Minolta CP 4000	-	1	1	255,000	255,000



**1.41 Shortage of equipment, furniture etc. - Rs.15.881 million**

**Statement showing the detail of missing items found during physical verification of BUITEMS**

S. No.	Item	Qty Available	Actual Purchase	Difference	Rate	Total
49	P-IV Computers Unbranded 3.00GHz HTT with Philips 15" Monitor	109	125	16	43,700	699,200
50	RAM Kingston 512 MB	-	10	10	3,950	39,500
51	Reading Room Chairs	-	60	60	2,000	120,000
52	Revolving Chair	7	48	41	3,650	149,650
53	Revolving Chairs Hydraulic Base	1	21	20	6,500	130,000
54	Seagate 40GB HDD	-	5	5	3,460	17,300
55	Server Computer	1	5	4	480,000	1,920,000
56	Side Cum Computer Racks 3X16X2 1/2 matching with tables Key Board Tray space for CPU	79	96	17	3,500	59,500
57	Single Bed	-	153	153	4,500	688,500
58	Stools wooden with foam and cushion	-	25	25	900	22,500
59	Student Chairs with Seat Cushion	-	222	222	800	177,600
60	Student Rack Wooden	-	4	4	2,300	9,200
61	Student Table	80	97	17	2,800	47,600
62	Student Table Steel with Cushion	-	45	45	2,200	99,000
63	Study Table	-	2	2	2,600	5,200
64	Table for Librarians	1	3	2	6,500	13,000

**1.41 Shortage of equipment, furniture etc. - Rs.15.881 million**

**Statement showing the detail of missing items found during  
physical verification of BUITEMS**

<b>S. No.</b>	<b>Item</b>	<b>Qty Available</b>	<b>Actual Purchase</b>	<b>Difference</b>	<b>Rate</b>	<b>Total</b>
65	UPS 1KVA	2	6	4	10,200	40,800
66	UPS 2KVA	3	11	8	28,750	230,000
68	Vertex Mixer	-	1	1	65,000	65,000
69	Visitor Chairs Seat & Back Cushion	76	156	80	2,150	172,000
70	Wall Hanging Pigeon Holes Box with 20 Holes	-	2	2	2,900	5,800
71	Wardrobe	-	17	17	7,500	127,500
72	Water Jacketed CO2 Incubator	-	1	1	430,000	430,000
73	Wireless Telephone Sets	2	5	3	4,900	14,700
74	Wooden Almirah	9	19	10	8,000	80,000
75	Wooden Rack for Equipment	-	2	2	4,900	9,800
<b>Total</b>						<b>15,880,706</b>

**Annexure - 9**

**2.2 Non-recovery of compensation amount - Rs.34.599 million**

B&R Mastung

**(Rs. in million)**

<b>S. No.</b>	<b>Name of work</b>	<b>Name of contractor</b>	<b>Estimated cost</b>	<b>Time limit</b>	<b>To-date expenditure</b>	<b>Penalty</b>
<b>1</b>	Const. of bridge at Kirdpag – Mangochar road	M/s Construction Management Services	6.629	28 <sup>th</sup> Nov 05	4.545	0.662
<b>2</b>	Up-gradation of Primary to Middle Standard GGS Ghausabad	M/s Farhan Qadus	2.330	31 <sup>st</sup> Dec 05	1.643	0.230
<b>3</b>	Up-gradation of Primary to Middle Standard Zarin Wall	M/s Haji Muhammad Umar	2.330	31 <sup>st</sup> Dec 04	1.741	0.233
<b>4</b>	Up-gradation of Middle to High Standard GBH Basham	M/s Haji Abdul Rasool	3.980	31 <sup>st</sup> Dec 04	2.093	0.398
<b>5</b>	Up-gradation of Middle to High Standard Kirdgap	M/s Tahir Khan	3.980	31 <sup>st</sup> Dec 04	2.892	0.398
<b>6</b>	B/T Road Shapch to Patki	M/s H.A Hameed	58.920	19 <sup>th</sup> April 07	38.892	2.003
<b>7</b>	B/T Road No. 4 to Babri Malikhan	M/s S Muhammad Shahi	74.452	13 <sup>th</sup> April 07	47.660	2.679
<b>8</b>	Widening/Reconditioning Kanak Cross to Umarabad	M/S H. Ranjha Khan	49.494	19 <sup>th</sup> April 07	27.454	2.204
<b>9</b>	B/T Khad Koudha Umrani Km 10 – 21	M/s H. M Umar	28.888	19 <sup>th</sup> April 07	13.319	1.557
<b>10</b>	B/T road Kotal Kirdgap to Mangochar Km 19 – 34	M/s H.G Rasool	54.559	16 <sup>th</sup> Sep 04	53.038	0.152
<b>11</b>	B/T road Asimabad to Killi Alam Khan	M/s H.G Rasool	30.730	16 <sup>th</sup> May 07	17.272	1.346

**2.2 Non-recovery of compensation amount - Rs.34.599 million**

**B&R Mastung**

**(Rs. in million)**

<b>S. No.</b>	<b>Name of work</b>	<b>Name of contractor</b>	<b>Estimated cost</b>	<b>Time limit</b>	<b>To-date expenditure</b>	<b>Penalty</b>
<b>12</b>	B/T road Kanat to Shaliabad Km 1 – 10	M/s H.G Rasool	47.288	04 <sup>th</sup> Jan 06	37.606	0.968
<b>13</b>	B/T road Khad Koucha Kund Umrani Km 21 – 32	M/s H M. Aslam	33.872	19 <sup>th</sup> April 07	9.386	2.449
<b>14</b>	B/T road Talkhavi Link with Marave Isplinji road	M/s Al-Imran	53.190	18 <sup>th</sup> Dec 03	50.526	2.664
					<b>Total</b>	<b>17.943</b>

**Annexure - 9**

**2.2 Non-recovery of compensation amount - Rs.34.599 million**

B&R Division Sibi

**(Rs. in**

**million)**

S. No.	Name of work	Due date of completion	Status of work	Tender cost	Penalty @ 10%
1	Const: of B/T road from Shahrag to Marwar	23 <sup>rd</sup> April 2007	Work in progress	31.00	3.100
2	Const: B/T road from Gochina Nalus coal Mines to Na—coal Department Tehsil Harnai	21 <sup>st</sup> April 2007	Work in progress	16.790	1.779
3	Const: B/T road from woolen Mill to Ghurmi & sarkan Tehsil Harnai	19 <sup>th</sup> April 2007	Work in progress	44.741	4.474
4	Const: B/T road from Mall to Talli	21 <sup>st</sup> April 2007	Work in progress	31.485	3.148
5	Cont: B/T road from Lehri Sungsila village Tuniya Tehsil, Harnai	20 <sup>th</sup> April 2007	Work in progress	11.480	1.148
<b>Total</b>				<b>135.496</b>	<b>13.649</b>

Maintenance Division-III

**(Rs. in million)**

S.No.	Name of Work	Approval Cost	Due date of completion	Status on 30 <sup>th</sup> 07	Penalty 10% Rs.
1	Construction of Recreational Hall & Barracks in District Jail Quetta	10.810	30 <sup>th</sup> June 2006	The work was in progress	1.081
2	Construction of rest house along with one quarter for grade (5-10) and construction of Approach Road 00-07 KM at Hanna Lake Quetta (PSDP-63)”	19.260	2 <sup>nd</sup> February 2005	The work was in progress	1.926
<b>Total</b>					<b>3.007</b>

**Annexure - 10**

**2.5 Recovery of cost of bitumen - Rs.19.854 million**

**B&R Division, Sibi**

**(Rs. in million)**

<b>S. No.</b>	<b>C.V. No. and date</b>	<b>Name of work</b>	<b>Quantity</b>	<b>Rate</b>	<b>Amount</b>
1	7, 10 <sup>th</sup> October 2006	Const: B/T road from Gochina Nakus coal Mines to Nakus coal Depot (4.10 Km)	74.932 ton	29768	2.231
2	77, 29 <sup>th</sup> June 2007	Constt: B/T road and structure work Nakus to Killi Roghani Harnai 10 Km	157.427 ton	29768	4.686
<b>Total</b>					<b>6.917</b>

**B&R Division, Jaffarabad**

**(Rs. in million)**

<b>S. No.</b>	<b>Name of work</b>	<b>Quantity</b>	<b>Rate</b>	<b>Amount</b>
1	“Construction of blacktop road including structure work from Shahi Chowk (NHA) to Goth Ghulam Rasool Lehri”	60 Tons	29900	1.794

**Annexure – 10****B&R Division, Lasbela****(Rs. in millions)**

<b>S. No.</b>	<b>Name of contractor</b>	<b>Name of work</b>	<b>Outstanding amount</b>
<b>1)</b>	M/s SAPNA Builders	Const. of blacktop road from Kanraj to Winder	1.080
<b>2)</b>	M/s SMC Construction Co	Const. of blacktop road from Bela to Lakhra (29-44 Km)	1.765
<b>3)</b>	M/s SAPNA Builders	Const. of blacktop road from Bela to Lakhra (08-29 Km)	0.272
<b>4)</b>	M/s Ram Govt Contractor	Const. of blacktop road from Grid Station to Notani Goth	0.205
<b>5)</b>	M/s Hinglaj Construction Co	Const. of blacktop road from Liari to Molvi Ghulam Qadir Goth	1.780
<b>6)</b>	M/s Naseer Ahmed Baloch	Const. of blacktop road from Lakhra to Mara Mithar	1.730
<b>7)</b>	M/s M. Ibrahim	Improvement / Rehabilitation of Lakhra Liari to Coastal Highway (Phase-II)	2.106
<b>8)</b>	M/s Akhtar Ali Brohi	Improvement / Rehabilitation of Village Usman Qalandrani	0.717
<b>9)</b>	M/s Zareen Khan	Improvement / Rehabilitation of Hub - Dureji Road	1.488
<b>Total</b>			<b>11.143</b>

**Annexure - 11**

**2.7 Unauthorized expenditure due to allowing excess quantity of steel - Rs.12.108 million**

**Statement showing the detail of excess quantity of steel**

S. No	Name of work	Name of contractor and work order No.	Voucher No and date	Item of Work	Qty as per estimate	Qty Paid	Difference	Rate	Amount Rs.
1	Construction of rest area in Bakhtairabad	M/S Hussain Enterprises, W/O No.14-G/PSDP/808-09/CB, dated 25-05-2004.	31, 26 <sup>th</sup> June 07	Providing Fabricating and laying Deformed Steel (NSR)	27 ton	30.111 ton	3.111 ton	52500 per ton	0.163
2	Construction of Lehri Khairwah road Km 00+12	M/S Safar Khan Government contractor , W/O No.14-G/PSDP/115-19/CB, dated 01-01-2004.	25, 20 <sup>th</sup> January 07	Providing Fabricating and laying Deformed Steel (NSR)	24.11 ton	80.619 ton	56.509 ton	52500 per ton	2.967
3	Construction and Black topping of Mall Gorgage Sohryani and Lehri road	M/S GZK Govt Contractor, W/O No.14-G/PSDP/470-72/CB, dated 15-04-2005.	05, 11 <sup>th</sup> January 07	Providing Fabricating and laying Deformed Steel (SI No.5-40-a)	7.620 ton	64.25 ton	56.629 ton	34059.11 per ton	1.929
4	Construction of B/T road woolen mill to Ghurmy and Sarkran (length 7.70 km)	M/S Ali Ahmed Jan Govt Contractor, W/O No.14-G/PSDP/515-17/CB, dated 19-04-2005.	71, 29 <sup>th</sup> June 07	Providing Fabricating and laying Deformed Steel (SI No.5-40-a)	22.436 ton	120.02 ton	97.584 Ton	34059.11per ton	3.324



**Annexure - 11**

**2.7 Unauthorized expenditure due to allowing excess quantity of steel - Rs.12.108 million**

**Statement showing the detail of excess quantity of steel**

<b>S. No.</b>	<b>Name of work</b>	<b>Name of contractor and work order No.</b>	<b>Voucher No and date</b>	<b>Item of work</b>	<b>Qty as per estimate</b>	<b>Qty Paid</b>	<b>Diff.</b>	<b>Rate</b>	<b>Amount Rs.</b>
5	B/T Road form mall to Talli at Sibi (length 8.50 km)	M/S Umar Construction Company, W/O No.14-G/PSDP/530-31/CB, dated 21-04-2005.	Ch No.373824 /03739, 13 <sup>th</sup> February 07	Providing Fabricating and laying Deformed Steel (SI No.5-40-a)	27.26 ton	106.295 ton	79.035 ton	34059.11 per ton	2.692
Add 13 % premium at S.No.3 to 5									1.033
<b>Total</b>									<b>12.108</b>

## Annexure - 13

## 4.2 Non-deduction of house rent and conveyance allowance - Rs.0.546 million

(Rs. in million)

S. No.	Name	Designation	Sandeman Hospital Colony No.	House Rent Allowance	Amount
1	Dr. Jameel-ur-Rehman	Medical officer	F-05	3213	0.039
2	Mr. Tariq Gulzar	Sanitary Supervisor	19/5	1087	0.013
3	Mrs. Ruqia Khanum	Staff Nurse	A-11	1604	0.019
4	Mr. Aqeel Akhtar	Dispenser	A-19	1969	0.024
5	Mr. Nazir Ahmed	ECG Technician	C-04	1246	0.015
6	Mr. Muhammad Aslam	Ward Boy	C-06	990	0.012
7	Mr. Abdul Ghaffar	X-Ray Assistant	C-08	1246	0.015
8	Mr. Manzoor Ahmed	Ward Boy	C-19	990	0.012
9	Mr. Muhammad Shah	Male Nurse	C-20	1604	0.019
10	Mr. Shahid Feroz	Dispenser	C-22	1969	0.024
11	Mr. Abdul Rehman	ECG Technician	C-24	1246	0.015
12	Mr. Abdul Ghaffar Nabi	X-Ray Assistant	C-34	1246	0.015
13	Mr. Liaqat Ali	X-Ray Assistant	C-35	1246	0.015
14	Mr. Riffat Ahmed	Carpenter	C-37	1195	0.014
15	Mr. Sher Yar Khan	Pacing Lab Tech	C-38	1604	0.019
16	Mr. Nasrullah	Cook	C-46	967	0.012
17	Mr. Noor Ahmed-II	Male Nurse	D-01	1604	0.019
18	Mr. Noorullah	Ward Boy	D-02	990	0.012
19	Mr. Abdul Malik	Driver	D-07	1055	0.013
20	Mr. Munwar Ahmed	Dispenser	E-10	1969	0.024
				<b>Total</b>	<b>0.350</b>

## 4.2 Non-deduction of house rent and conveyance allowance - Rs.0.546 million

S. No.		Name	Designation	Period	CA	Amount
1	Ms	Bilqees Akhtar	Staff Nurse	60	680	1,360
2	Ms	Nadia Sardar	Staff Nurse	30	680	680
3	Ms	Surrai Akhtar	Staff Nurse	45	680	1,020
4	Ms	Asmat Rani	Staff Nurse	45	680	1,020
5	Ms	Shazia Malik	Staff Nurse	45	680	1,020
6	Ms	Nargis Khokhar	Staff Nurse	45	680	1,020
7	Ms	Asia Fazilat	Nurse Tutor	30	1,240	1,240
8	Ms	Ishrat Iftikhar	Staff Nurse	30	680	680
9	Ms	Jasepeen	Staff Nurse	30	680	680
10	Ms	Akhtar Sadiq	Staff Nurse	30	680	680
11	Ms	Perveen Emanuel	Staff Nurse	90	680	2,040
12	Ms	Rehana Aslam	Staff Nurse	30	680	680
13	Ms	Shamim Akhtar	Staff Nurse	45	680	1,020
14	Dr	Muhammad Aslam	MO	35	1,240	1,447
15	Dr	Khadija Panazai	LMO	60	1,240	2,480
16	Dr	M Tariq Yousafzai	D Surgeon	35	1,240	1,447
17	Dr	Gulnaz Perveen	SLMO	90	1,240	3,720
18	Dr	Muhammad Usman	MO	120	1,240	4,960
19	Dr	Farukh Gulnar	CMO	30	1,240	1,240
20	Dr	Rizwan Mehmood Nagi	MO	30	1,240	1,240
21	Dr	Shahida Perveen	LMO	45	1,240	1,860
22	Dr	Shahid Latif	SMO	50	1,240	2,067
23	Dr	Nazeer Ahmed	SMO	75	1,240	3,100
24	Dr	Fazila Akhtar	LMO	45	1,240	1,860
25	Dr	Rubina Naz	LMO	60	1,240	2,480
26	Dr	Lotf Ali	Pediatrician	60	1,240	2,480
27	Dr	Zakia Tamjeed	SG	90	1,240	3,720
28	Ms	Rukhsana Jabeen	Staff Nurse	30	680	680
29	Ms	Rubina Sadiq	Staff Nurse	21	680	476
30	Ms	Balseem Walter	Staff Nurse	21	680	476
31	Ms	Barbara Walter	Staff Nurse	21	680	476
32	Ms	Khalida Perveen	Staff Nurse	30	680	680
33	Ms	Abida Perveen	Staff Nurse	30	680	680
34	Ms	Farzana Javed	Staff Nurse	30	680	680
35	Ms	Rukhsana Kausar	Staff Nurse	30	680	680
36	Ms	Asmat Rani	Staff Nurse	50	680	1,133
37	Ms	Nayyar Nazir	Staff Nurse	21	680	476
38	Ms	Sumera Shahzadi	Staff Nurse	21	680	476

## 4.2 Non-deduction of house rent and conveyance allowance - Rs.0.546 million

S. No.		Name	Designation	Period	CA	Amount
39	Ms	Nadia Gill	Staff Nurse	60	680	1,360
40	Ms	Shamim Kamal	Staff Nurse	70	680	1,587
41	Ms	Iqbal Bano	Staff Nurse	30	680	680
42	Ms	Aster William	Staff Nurse	30	680	680
43	Ms	Farhat Shahnaz	Staff Nurse	30	680	680
44	Mr.	Noor Ahmed	Male Nurse	90	680	2,040
45	Ms	Nasra Bashir	Staff Nurse	30	680	680
46	Ms	Nasreen Akhtar	Staff Nurse	45	680	1,020
47	Ms	Sabeela Saleem	Staff Nurse	30	680	680
48	Ms	Safina Ghorri	Staff Nurse	30	680	680
49	Ms	Samina Barkat	Staff Nurse	45	680	1,020
50	Ms	Asia Sarwar	Staff Nurse	30	680	680
51	Ms	Rehana Bhatti	Staff Nurse	30	680	680
52	Ms	Salma Saleem	Staff Nurse	30	680	680
53	Mr.	Anthony Shahzad	Male Nurse	30	680	680
54	Ms	Fareeda Khanum	Staff Nurse	30	680	680
55	Ms	Gulshan RM	Staff Nurse	30	680	680
56	Mr.	Peter Masih	Male Nurse	90	680	2,040
57	Ms	Musarat Rehana	Staff Nurse	30	680	680
58	Ms	Khalida Perveen	Staff Nurse	30	680	680
59	Ms	Salina Bibi	Staff Nurse	30	680	680
60	Ms	Fauzia	Head Nurse	90	1,240	3,720
61	Ms	Asia Fazilat	Tutor Nurse	30	1,240	1,240
62	Ms	Masooma Naz	Staff Nurse	90	680	2,040
63	Ms	Humera Imtiaz	Staff Nurse	30	680	680
64	Ms	Rehana Kausar	Staff Nurse	30	680	680
65	Ms	Farah Iqbal	Staff Nurse	20	680	453
66	Ms	Talat Shahana	Staff Nurse	45	680	1,020
67	Ms	Asifa Khanum	Nursing Supdt	30	1,240	1,240
68	Ms	Razia Ali	Head Nurse	45	1,240	1,860
69	Ms	Perveen Esser	Staff Nurse	60	680	1,360
70	Ms	Farida Khanum	Staff Nurse	30	680	680
71	Ms	Bilqees Bashir	Staff Nurse	45	680	1,020
72	Ms	Sajidda Sharif	Staff Nurse	30	680	680
73	Ms	Shamim Shazia	Staff Nurse	45	680	1,020
74	Ms	Perveen Emanuel	Staff Nurse	60	680	1,360
75	Ms	Razia Bano	Staff Nurse	90	680	2,040

## 4.2 Non-deduction of house rent and conveyance allowance - Rs.0.546 million

S. No.		Name	Designation	Period	CA	Amount
76	Ms	Salooni Sadiq	Staff Nurse	60	680	1,360
77	Mr.	Juma Khan	Male Nurse	30	680	680
78	Ms	Iqbal Bano	Staff Nurse	30	680	680
79	Ms	Asia Bhatti	Head Nurse	120	1,240	4,960
80	Ms	Musarat Tanveer	Head Nurse	30	1,240	1,240
81	Ms	Ishrat Jahan	Head Nurse	60	1,240	2,480
82	Mr.	Ghulam Haider	Male Nurse	45	680	1,020
83	Dr	Abdul Rehman Jaffar	MO	30	1,240	1,240
84	Dr	Sabiha Shuja	LMO	24	1,240	992
85	Dr	Shams Ud Din	CMO	30	1,240	1,240
86	Mr.	Suraya Sarwar	Head Nurse	30	1,240	1,240
87	Dr	Razia Ashraf	CMO	90	1,240	3,720
88	Dr	Imam Bakhsh	MO	90	1,240	3,720
89	Dr	Rubina Shah	Prof	90	1,240	3,720
90	Dr	Rubina Naz	LMO	60	1,240	2,480
91	Dr	Nasrullah Mangal	D Surgeon	126	1,240	5,208
92	Dr	Sajidda Javed	LMO	60	1,240	2,480
93	Dr	Ishrat Afshan Jelani	LMO	90	1,240	3,720
94	Dr	G Muhammad Shahwani	CMO	30	1,240	1,240
95	Dr	Muhammad Ashraf	CMO	180	1,240	7,440
96	Dr	Riffat Ahmed	LMO	120	1,240	4,960
97	Dr	Shazia Saeed	LMO	25	1,240	1,033
98	Dr	Sajidda Batool	LMO	60	1,240	2,480
99	Dr	Akhtar Muhammad	LMO	45	1,240	1,860
100	Dr	Shazia Altaf Khan	LMO	38	1,240	1,571
101	Dr	Mansoor Ilyas	A Prof	60	1,240	2,480
102	Dr	Fida Hussain Baloch	D Surgeon	90	1,240	3,720
103	Dr	Shehla Riaz	LMO	30	1,240	1,240
104	Dr	Muhammad Musa	MO	90	1,240	3,720
105	Dr	S. Akhtar Muhammad	CMO	450	1,240	18,600
106	Dr	Naseema Baloch	LMO	30	1,240	1,240
107	Dr	Rizwan Mehmood	MO	30	1,240	1,240
108	Dr	Saima Iram	LMO	61	1,240	2,521
109	Dr	Ghulam Jan	CMO	70	1,240	2,893
110	Dr	Dulat Khan	Prof	20	1,240	827
<b>Total</b>						<b>195,759</b>

## 6.2 Overpayment due to allowing higher rate than prescribed rate of premium - Rs.12.171 million

(Rs. in million)

S. No	Name of Work	Name of Contractor	Cost of Work	Rate of Premium Paid	Rate of Premium to be Paid	Amount of Premium Paid	Amount of Premium to be Paid	Amount of Premium to be deducted	Difference Col ( 7-8 )	Difference Col ( 7+9 )	Total Col (10+11)
1	2	3	4	5	6	7	8	9	10	11	12
1	Lining of Dhori Distry RD 0+00 to RD 67+000	M/s Raza Muhammad & Co.	22.614	26% Above	17% Above	5.880	3.844	-	2.035	-	2.035
2	Lining of Dhori Distry RD 0+00 to RD 67+000	M/s Raza Muhammad & Co.	3.192	26% Above	5% Below	0.830	-	0.160	-	0.990	0.990
3	Lining of Dumb Distributors(KCP-10) RD 0+00 to RD 53+000	M/s Haji Ahmed Shah	41.487	22.75 Above	17% Above	9.439	7.053		2.386	-	2.386
4	Lining of Dumb Distributor(KCP-10) RD 0+00 to RD 53+000	M/s Haji Ahmed Shah	5.214	22.75 Above	5% Below	1.186	-	0.261	-	1.447	1.447

## 6.2 Overpayment due to allowing higher rate than prescribed rate of premium - Rs.12.171 million

(Rs. in million)

S. No	Name of Work	Name of Contractor	Cost of Work	Rate of Premium Paid	Rate of Premium to be Paid	Amount of Premium Paid	Amount of Premium to be Paid	Amount of Premium to be deducted	Difference Col ( 7-8 )	Difference Col ( 7+9 )	Total Col (10+11)
1	2	3	4	5	6	7	8	9	10	11	12
5	Lining of Khan Pur Distributors( KCP-10) RD 0+00 to RD 66+500	M/s Sher Muhammad Mugheri	60.340	22.50 Above	17% Above	13.576	10.258	-	3.319	-	3.319
6	Lining of Khan Pur Distributor (KCP-10) RD 0+00 to RD 66+500	M/s Sher Muhammad Mugheri	7.256	22.50 Above	5% Below	1.633	-	0.363	-	1.996	1.996
<b>Total:</b>											<b>12.171</b>

## Annexure - 15

## 7.2 Less realization of ground rent - Rs.2.553 million

(Rs. in million)

Year	Phase No.	Rate	No. of Plots	Rent per plot per month	Total
2004-05	I	Rs.2/-	313	2291	0.717
2004-05	I	Rs.3/-	313	313	0.098
2004-05	II	Rs.2/-	240	2291	0.550
2004-05	II	Rs.3/-	240	313	0.075
<b>Total</b>					<b>1.44</b>
2005-06	I	Rs.3/-	313	3750	1.174
2005-06	II	Rs.3/-	240	3750	0.900
<b>Total</b>					<b>2.074</b>
2006-07	I	Rs.3/-	313	3750	1.174
2006-07	II	Rs.3/-	240	3750	0.900
<b>Total</b>					<b>2.074</b>
<b>Grand Total</b>					<b>5.588</b>